

OXNARD AIRPORT

LEASE AGREEMENT

BETWEEN

COUNTY OF VENTURA

AND

AXIS AIR, LLC, A California limited liability company

LEASE AGREEMENT - OXNARD AIRPORT
AXIS AIR, LLC, a California Limited Liability Company

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THIS LEASE (Agreement) is made and entered into by and between:
COUNTY OF VENTURA (County) and
Axis Air, a California Limited Liability Company (Tenant).

The parties agree that:

1. PROPERTY LEASED. County hereby leases to Tenant and Tenant hereby leases from County the property (hereinafter called the Premises), located on the Oxnard Airport (hereinafter called the Airport), briefly described as follows:

That portion of County's property located at the northeast portion of the Airport consisting of 5.17 acres (approximately 225,205 square feet) of an existing improved area and hangar and office building, labeled as the "Premises" on the drawing marked Exhibit "A," which is attached hereto and made a part hereof by reference.

2. TERM AND TITLE TO IMPROVEMENTS

A. Term. The term of this Agreement is thirty-five (35) years (Initial Term), beginning on the Effective Date, (which is the date of the last signature to this Agreement).

B. County holds fee simple title to all improvements on the Premises that exist as of the Effective Date. All rights, title, and interest in any new improvements (the "New Improvements") built by Tenant on the Premises during the Initial Term shall be the property of the Tenant during the Initial Term and shall automatically vest in County upon termination or cancellation of this Agreement or upon the expiration of the Initial Term of this Agreement, whichever occurs first. The proposed "New Improvements" are outlined in the Exhibit "D" attached hereto and incorporated in this Agreement.

3. HOLDOVER. County shall provide Tenant advance notice of the lease expiration. Notwithstanding the above, if Tenant holds possession of the Premises after the expiration of the term of this Agreement or any extension thereof, with consent of County, either expressed or implied, Tenant shall become a tenant from month to month, and all rights, title, and interest in all improvements on the Premises shall automatically vest in County. All rent(s) for said holdover tenancy shall be adjusted to reflect the rate, as set forth in the then-current Department of Airports' Rent and Fee Schedule (Rent and Fee Schedule) adopted by County's Board of Supervisors (Board), and shall include the then-appraised value of the then-County-owned improvements. All other terms and conditions of this Agreement shall remain unchanged.

4. PURPOSE. Tenant intends to construct on the Premises facilities suitable for commercial businesses as outlined in the Required Minimum Standards for Aeronautical Services for Ventura County Airports (Minimum Standards), attached hereto as Exhibit "C," incorporated herein by this reference, and as further amended from time to time, including facilities for storage of aircraft and fuel, aircraft maintenance and repair, aviation business activities, and offices for aviation-related use; and all required apron, ramp, and taxi lanes to access the existing runway. Tenant may sublease the Premises to third parties, including but not limited to governmental agencies, for the uses permitted by, and under the conditions elsewhere imposed by, this Agreement.

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The Premises shall be used for the following specified purposes only, and shall not be used for any other purpose without first obtaining the written consent of the Director of Airports (Director).

A. Required Services.

Tenant shall operate as a Full Service Aeronautical Service Provider, as defined in the then-current version of the Minimum Standards, which is incorporated herein by this reference, and, in addition to aircraft maintenance and repair, provide at least three (3) of the following activities at any given time:

1. Aircraft management and/or storage services.
 2. Ramp services including loading and unloading of passengers, baggage, mail, and freight; and providing of ramp equipment, aircraft cleaning, and other services for air taxi/charters and other persons or firms.
 3. Aircraft charter.
 4. Aircraft equipment and parts sales.
 5. Aircraft rental.
 6. Flight instruction.
 7. Radio/electronic/avionics sales and service.
 8. Research and development of aviation related supplies, equipment and services
- Note: In order to provide fueling service, ASP **must** be a full service provider

B. Authorized Services.

Tenant may provide any other general aviation services not specifically provided for herein which are approved in advance, in writing, by County. County's approval of such services shall not be unreasonably withheld.

C. Operating Standards (for Tenant). In providing any of the required and/or authorized services or activities specified in this Agreement, Tenant shall operate for the use and benefit of the public and shall meet or exceed the following standards.

1. Tenant shall at all times comply with the then-current Minimum Standards or requirements promulgated by County, applicable to each of Tenant's activities on the Airport.

2. Tenant shall select and appoint a manager of operations at the Airport. The manager shall be qualified and experienced, and vested with full power and authority to act in the name of Tenant with respect to the method, manner, and conduct of the operation of the fixed base services provided under this Agreement. The manager shall be available at the Airport during regular business hours, and during the manager's absence, a duly authorized subordinate shall be in charge and available at the Airport.

3. Tenant shall provide, at its sole expense, a sufficient number of employees to provide effectively and efficiently the services required or authorized by this Agreement.

4. Tenant shall control the conduct, demeanor, and appearance of its employees, who shall be trained by Tenant and who shall possess such technical qualifications and hold such certificates or qualifications as may be required by any government authority in carrying out assigned duties. It shall be the responsibility of Tenant to maintain close supervision over its employees to assure a high standard of service to customers and sublessees of Tenant.

5. Tenant shall meet all expenses and payments in connection with the use of the Premises and the rights and privileges herein granted, including taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or property at any time situated therein and thereon. Tenant may, at its sole expense and cost, and in the manner provided by applicable law, contest any tax, fee, or assessment.

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6. Tenant shall comply with all federal, state, and local laws, rules, and regulations which may apply to the conduct of the business contemplated, including rules and regulations promulgated by County and as amended from time to time, and Tenant shall maintain in effect and post in a prominent place all necessary and/or required licenses or permits.

7. It is expressly understood and agreed that, in providing required and authorized services pursuant to this Agreement, Tenant shall have the right to choose, in its sole discretion, its vendors and suppliers.

8. Tenant shall at all times maintain, and no less than annually provide the Director with, a current listing of all aircraft based or stored on the Premises, whether by Tenant or by any other person or entity. For purposes of this section, an aircraft is “based” on the Premises if it is operational and airworthy and operates from the Premises for six months in any calendar year.

9. Tenant shall further notify all customers, where Tenant has custody of customer’s aircraft, of the requirement to register said aircraft with the Director and to show evidence of the required insurance.

10. Tenant shall properly collect, store and dispose of used motor oil generated on the Premises, in accordance with applicable laws and regulations, and shall establish collection service with an approved vendor, evidencing such contract and collection manifests to County no less than quarterly.

D. Operating Schedule. Beginning on the date any facilities on the Premises are first offered for use by the general public, all of the uses and services specified herein shall be provided on the Premises not less than eight hours per day and not less than five days per week. A change in the operating schedule may not be made prior to receipt of written approval from the Director.

E. Use. No other uses are permitted except with prior written consent of the Director. Authorization for other uses shall be null and void if not exercised within six (6) months after such authorization.

5. USE OF AIRPORT FACILITIES. Tenant has the nonexclusive right to the use of the runways and taxiways of the Airport, the public waiting rooms, rest rooms, and other public places in the Airport, the roadways and landing aids, and other public facilities provided by County.

6. ALTERATIONS BY TENANT. Tenant shall construct and complete improvements to the Premises, for a total investment of not less than \$2,500,000 (“Tenant’s Construction”), provided, however, that approval of all such improvements, alterations, and additions must be obtained in advance in writing from the Director. All improvements, alterations, and additions shall conform to the then-current Airport Design Criteria for Construction and Specifications for Construction and Maintenance by Tenant, as may be amended from time to time, which is incorporated herein by this reference. Tenant shall obtain all necessary applicable permits after securing the Director’s written approval of plans. The Director’s approval shall not be unreasonably withheld. Notwithstanding the foregoing, Tenant shall have the right to make cosmetic additions to the Premises such as paint, carpet, cabinetry and fixture replacements, which 1) shall not be part of the required improvement investment of Tenant’s Construction and 2) shall not require County’s consent. Interior modifications for which applicable codes or statutes require a permit, including, but not limited to, the relocation or removal of walls, utility work such as plumbing and electrical alterations, require a permit and County’s consent.

Tenant’s Construction of \$2,000,000 of improvements must be completed within eighty-four (84)

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months (7 years) from the Effective Date and the remainder of \$500,000 must be completed within 10 years from the Effective Date, which shall be evidenced to County by a signed off building permit for Tenant's Construction and copies of paid invoices. Tenant will identify what portion of Tenant's Construction are for energy efficient upgrades to the facility. Failure to complete the required investment and construction within the designated period shall constitute a material and incurable default of the Agreement (subject to the terms of Section 32, below).

Tenant must coordinate with County to file Form 7460-1, Notice of Proposed Construction or Alteration, with the Federal Aviation Administration (FAA) for its review prior to the commencement of any construction. This shall be completed at the sole cost and expense of Tenant.

Tenant must comply with the prevailing-wage requirements of Labor Code section 1720, if applicable, on all improvements and alterations to the Premises that constitute "public works" as defined by, and that are not otherwise exempt from, that statute.

7. RENT. The monthly rent during the term of the Agreement consists of Ground Rent as outlined below:

Ground Rent: Tenant shall pay Ground Rent at the rate specified in the then-current Rent and Fee schedule for aviation land (the "Aviation Land Rate"). As of the Effective Date, the Aviation Land rate is \$.08125/SF/Month.

$$= 225,205 \text{ SF} \times \$0.08125/\text{sf} = \quad \quad \quad \mathbf{\$18,298.00 \text{ per month}}$$

The monthly Rent shall be payable, in advance, on the first day of each month, commencing on the first day of the first month after the Effective Date. If this Agreement commences on a day other than the first of the month, then the first month's Rent will be the pro rata share of the monthly Rent and will be payable immediately.

The Rent shall be adjusted annually by two percent (2%) on the first day of the month following the anniversary date of the Effective Date (if the Effective Date is not on the first of the month) and reset at the beginning of the 11th, 21st and 31st year to the then-current market rent as determined and outlined in the then-current Rent and Fee Schedule (the "Rent Re-Set Date"), however, in no event will the Rent Re-set amount exceed 25% above the rent paid at the beginning of the 1st, 10th, and 20th year, respectively.

Notwithstanding the above rental schedule for the Premises, and as further provided in Section 51 herein, County intends to remove the existing in-ground fuel tanks located at the Premises (the "In-ground Fuel Tanks"), comprising an area of 6,000 SF (approximately 100' X 60'). Until such time as the In-ground Fuel Tanks have been removed and the area restored to a level paved or concrete area, Tenant's Monthly Ground Rent is reduced by 6,000 SF multiplied by the then-current Aviation Land Rate specified in the Rent and Fee. As of the Effective Date, Current Aviation Land Rate is \$.08125 per square foot per month and the monthly offset is \$487.50.

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In addition to Rent, Tenant shall pay County a fuel flowage fee each calendar quarter ending March 31, June 30, September 30, and December 31, during the term of this Agreement. Current charges are: 1. Fuel Flowage Fee of \$.06 per gallon, Fuel Facility Fee (for Fuel Farm) of \$.02 per gallon of aviation fuel delivered to Tenant at the Airport, and if Tenant leases tanks from County, Tenant will pay a Fuel Storage fee of \$.046 per gallon. 2. Oil Flowage Fee of \$.15 per gallon for each gallon of oil delivered to Tenant at the Airport.

Fuel Flowage and Storage Fees shall be payable for the calendar quarter during which the petroleum products were delivered to Tenant at the Airport. In computing fuel flowage rent, there shall be no offset, carry over or carry back from prior months. In the event this Agreement is terminated, the final accounting period shall consist of that period of time between the last quarter and the termination date of this Agreement.

During any period for which Fuel Flowage and Storage Fees are payable hereunder, Tenant shall maintain books, records and accounts in such form and detail as the County Auditor may require, and shall make said records and accounts available to County Auditor within ten (10) days of a written demand for same, which shall adequately and correctly reflect and account for all petroleum products delivered to Tenant at the Airport.

The acceptance by County and any statement made by Tenant herein provided shall not preclude County from thereafter questioning the accuracy or completeness thereof. If any such statement shall be found to be inaccurate or incomplete, adjustment shall be made forthwith in accordance with the true deliveries for the period and any additional rent that may be due shall be forthwith paid.

It is understood and agreed that fuel flowage and storage fees are determined by the Rent and Fee Schedule established for all leases at the Airport. The Rent and Fee Schedule is subject to change by the Board of Supervisors during the term of this Agreement, or any renewal or extension thereof. Tenant shall pay at the changed rent as established by the action of the Board of Supervisors.

8. FAILURE TO PAY WHEN DUE. If money payable to County as a condition of this Agreement is not paid prior to ten (10) days after the due date, a fee of ten percent (10%) of the amount due and unpaid, except that such fee shall not be less than twenty-five dollars (\$25.00), will be added to the amount due and such total sum shall be due and payable to County as of the original delinquency date. A further fee in the same amount will be added for each thirty- (30) day period following addition of the fee, until paid. If the Board amends this requirement in the Rent and Fee Schedule, the fee provided by this section will be adjusted to the new amount when the rent is next adjusted on the adjustment schedule provided in section 6. Notwithstanding the above, failure to pay charges when due is a default of the Agreement (subject to the terms of Section 32, below).

9. SIGNS AND ADVERTISING. Tenant shall not erect or display, or permit to be erected or displayed, on the Airport or to the exterior of the buildings on the Premises, any signs or advertising matter of any kind without first obtaining the written consent of the Director, which is subject to the approved signage program for the Oxnard airport. Tenant shall obtain all necessary applicable permits after securing the Director's written approval of such signs or advertising.

10. EMPLOYEE INFORMATION. Tenant shall provide and keep current in the Director's office

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a list of Tenant's management personnel and full-time employees and their telephone numbers for emergency purposes.

11. SECURITY DEPOSIT. Tenant shall provide County with and at all times thereafter maintain an irrevocable security deposit in the amount of three times the initial monthly rent. Such amount shall be adjusted periodically and concurrently with any adjustments to rent following thirty (30) days written notice thereof from the County. The security deposit shall take one of the forms set out below and shall guarantee Tenant's full and faithful performance of all the terms, covenants, and conditions of this Agreement.

A. An irrevocable Letter of Credit from a financial institution in Ventura County wherein the principal sum is made payable to County on order. County must approve both the financial institution and the form of the certificate.

B. The assignment to County of a savings deposit held in a financial institution in Ventura County acceptable to County. Such assignment shall consist of delivery to County of the original passbook for such savings deposit and execution and delivery of a written assignment of said deposit to County on a form approved by County.

C. A renewable Time Certificate of Deposit from a financial institution in Ventura County wherein the principal sum is made payable to County on order. County must approve both the financial institution and the form of the certificate.

D. Cash on Deposit with County.

Regardless of the form in which Tenant elects to make the security deposit, all or any portion of the principal sum shall be available unconditionally to County, after the notice and cure periods provided in Section 32, for correcting any default or breach of this Agreement by Tenant, its successors or assigns or for payment of expenses incurred by County as a result of the failure of Tenant, its successors or assigns, to faithfully perform all the terms, covenants, and conditions of this Agreement.

Should Tenant elect to assign a savings deposit to County, or provide a Time Certificate of Deposit, to fulfill the security deposit requirements of this Agreement, the assignment or certificate shall have the effect of releasing the depository or issuer therein from liability on account of the payment of any or all of the principal sum to County on order upon demand by County. The agreement entered into by Tenant with a financial institution to establish the deposit necessary to permit assignment or issuance of a certificate as provided above may allow the payment to Tenant on order of interest accruing on account of the deposit. If, at any time during the term of this Agreement, any rent or other sum payable to County shall be overdue and unpaid beyond all applicable notice and cure periods, County may, at County's option and with, but not contingent on, written notice to Tenant, apply any portion of this security deposit to the payment of any overdue rent or other sums due and payable to County under this Agreement.

Should the entire security deposit, or any portion thereof, be appropriated and applied by County for the payment of overdue rent or such other sum due and payable to County by Tenant (as described in this Section), then Tenant shall, within thirty (30) days after written demand by County, restore the security deposit to the required amount. Tenant shall maintain the required security deposit throughout the term of this Agreement. Tenant's failure to do so, beyond any applicable notice and cure period provided in Section 32, shall be deemed a default and shall be grounds for immediate termination of this Agreement. The security deposit shall be rebated, reassigned, released or endorsed to Tenant or order, as applicable, at the end of the term of this Agreement, provided Tenant is not then in default and has performed its obligation required to be performed upon termination.

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12. SURETY BOND. No construction shall be commenced nor be deemed to have commenced at the Premises until Tenant has provided County a Surety Bond in the amount of the total estimated construction costs of the improvements specified in section 6 above.

The Surety Bond shall be in a form acceptable to County and shall state the following:

1. That it is conditioned to secure the completion of the improvements, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and material suppliers.
2. That the construction work shall be fully and faithfully performed by Tenant, the general contractor, or, on their default, the surety.
3. That in default of such completion and payment, such part of the amount of the bond as shall be required to complete the work shall be paid to County as liquidated and agreed damages for the nonperformance of Tenant's obligations, it being agreed that the amount of County's damages is extremely difficult to ascertain and determine.
4. That the surety will defend and indemnify County against all loss, costs, damage, expense, claims, and liabilities arising out of or connected with the construction.

In lieu of a Surety Bond, Tenant may provide construction surety bonds supplied by Tenant's general contractor or general contractors, provided such bonds contain the same conditions, are issued jointly to Tenant and County, and are in an amount equal to the total estimated construction cost of the improvements.

All Surety Bonds must be issued by a responsible surety company qualified to do business in the State of California, acceptable to County, and shall remain in effect until the entire cost of the work shall have been paid in full and the improvements shall have been insured as provided in this Agreement. Surety Bonds shall be accompanied by all the documents enumerated in Code of Civil Procedure section 995.660, subdivision (a), unless the surety company is listed in the latest version of U.S. Department of Treasury Circular 570 and the surety company's bonding limitation shown in said circular is sufficient to provide bonds in the amount of the bond required under this Agreement.

In lieu of the above Surety Bonds, County, at its sole and absolute discretion, may accept from Tenant some other instrument satisfactory to County or cash deposit which shall guarantee to County completion of the improvements.

13. INSURANCE.

A. Tenant, at its sole cost and expense, will obtain and maintain in full force during the term of this Agreement, the minimum insurance requirements as prescribed below:

1. Commercial General Liability "occurrence" coverage in the minimum amount of \$2,000,000 combined single limit (CSL) bodily injury & property damage each occurrence and \$4,000,000 aggregate, including personal injury, broad form property damage, products/completed operations, broad form blanket contractual and \$100,000 fire legal liability.

2. Aircraft and Airport Operations including passengers, products and completed operations: Combined single limit for bodily injury and property damage of \$2,000,000 each occurrence (waived until hangars are constructed).

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1 3. Hangar Keepers Liability: The replacement value of all aircraft actually located in the
2 buildings, with a minimum of \$100,000 per aircraft (waived until hangars are
3 constructed).

4
5 4. Commercial Automobile Liability coverage in the minimum amount of \$300,000 CSL
6 bodily injury & property damage, including owned, non-owned and hired automobiles.

7
8 5. Workers' Compensation coverage, in full compliance with California statutory
9 requirements, for all employees of Tenant and Employer's Liability in the minimum
10 amount of \$1,000,000.

11
12 6. Property coverage, Commercial Property Insurance covering (a) Tenant's
13 Property, and (b) any improvements and Alterations including the Tenant
14 Improvements, made by Tenant or at Tenant's request. Such insurance shall
15 include a waiver of subrogation endorsement in favor of County and shall be written
16 on a "Causes of Loss – Special Form" basis (or its equivalent), for the full
17 replacement cost (as reasonably approved by County) without deduction for
18 depreciation, and shall include coverage for theft, vandalism, malicious mischief,
19 casualty and sprinkler leakage. Such policy shall have a deductible not greater than
20 Twenty- Five Thousand and No/100 Dollars (\$25,000.00). The proceeds of such
21 insurance shall be used for the repair or replacement of the property so insured.
22 Upon termination of this Agreement following a casualty as set forth herein any
23 proceeds under (a) shall be paid to Tenant and any proceeds under (b) in excess of
24 Tenant's unamortized cost associated therewith shall be paid by Tenant to County.

25
26 B. The insurance coverages shall contain within the policy a "broad form" of liability
27 coverage, including any liability arising from contractual agreements, including leases, or
28 there shall be attached thereto an endorsement providing such coverage. The Board may
29 amend this requirement.

30
31 C. All insurance required will be primary coverage as respects County and any insurance
32 or self-insurance maintained by County will be excess to Tenant's insurance coverage and
33 will not contribute to it.

34
35 D. County and its boards, agencies, departments (including the Department of Airports),
36 officers, employees, agents and volunteers are to be named as Additional Insureds as
37 respects the Premises leased by Tenant under the terms of this Agreement on all policies
38 required (except Workers' Compensation).

39
40 E. Tenant agrees to waive all rights of subrogation against County and its boards, agencies,
41 departments, (including the Department) officers, employees, agents, and volunteers, for
42 losses arising directly or indirectly from the activities performed by Tenant.

43
44 F. Policies will not be canceled, non-renewed or reduced in scope of coverage until after
45 thirty (30) days' written notice has been given to the Department.

46
47 G. County must be informed immediately if a claim exceeds the general aggregate of
48 insurance and additional coverage must be purchased to meet the above requirements.

49
50 H. Tenant agrees to provide County with the following insurance documents on or before

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the effective date of this Agreement:

1. Certificates of Insurance for all required coverages.
2. Additional Insured endorsements.
3. Waiver of subrogation endorsements (A.K.A. Waiver of Transfer Rights of Recovery Against Others, Waiver of Our Right to Recover from Others).

Failure to provide these documents, after any applicable notice and cure period described in Section 32, may be grounds for termination or suspension of this Agreement.

Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Tenant for liability in excess of such coverage, nor shall it preclude County from taking such other actions as are available to it under any other provisions of this Agreement or otherwise in law. Tenant shall be permitted to satisfy the insurance requirements hereunder through blanket or umbrella insurance policies provided that such policies otherwise satisfy the requirements set forth herein.

14. INSURANCE DURING COURSE OF CONSTRUCTION.

Tenant, at its sole cost and expense, will obtain and maintain in full force (and if required, cause the appropriate contractor, engineer or architect, as applicable, to obtain Professional Liability coverage as noted in Section 14. C. below) during the time period from the commencement of Tenant's construction to the date County certifies in writing that construction of the improvements required by this Agreement is complete, the following insurance:

- A. Commercial General Liability "occurrence" coverage in the minimum amount of \$2,000,000 combined single limit (CSL) bodily injury & property damage each occurrence and \$4,000,000 aggregate, including personal injury, broad form property damage, products/completed operations, broad form blanket contractual and \$100,000 fire legal liability.
- B. Commercial Automobile Liability coverage in the minimum amount of \$1,000,000 CSL bodily injury & property damage, including owned, non-owned and hired automobiles.
- C. Professional Liability (Errors and Omissions) Engineers & Architects coverage in the minimum amount of \$ \$2,000,000 each occurrence and \$4,000,000 aggregate (to the extent any engineers or architects are engaged in connection with the construction of such improvements).
- D. Property Coverage. Course of Construction (Builders Risk) Insurance covering all materials and equipment at the job site, with limits of not less than one hundred percent (100%) of the total estimated cost of construction until the improvements are accepted as completed by the Department. Should the work being constructed be damaged by fire or any other causes during construction, it shall be replaced by Tenant in accordance with the requirements of the plans and specifications without additional expense to County.
- E. All insurance required shall be issued by a company or companies authorized to transact business in the State of California which have an A.M. Best rating of B+ or higher.
- F. Claims Made Insurance. If the Professional Liability coverage is "claims made," Tenant shall require/cause the applicable engineer or architect to maintain insurance, for a period of twenty-four (24) months after the construction completion date, with a retroactive date that is on or before the construction start date OR purchase an extended reporting endorsement (tail coverage).

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1 **15. TAXES AND ASSESSMENTS.** A taxable possessory interest may be created by this
2 Agreement and Tenant may be subject to the payment of property taxes levied on such interest.
3 Tenant shall pay, before delinquent, any and all taxes and assessments levied upon the
4 Premises or against Tenant by reason of Tenant's use and occupancy of the Premises.

5
6 **16. UTILITIES.**

7 Tenant shall be responsible for permits, fees, connection, construction and maintenance of
8 service laterals for power, water and sewer services needed for Tenant's construction
9 project.

10
11 Tenant expressly waives any and all claims against County for compensation for any and all
12 loss or damage sustained by reason of any defect, deficiency, or impairment of any water supply
13 system, drainage or sewer system, gas supply system, computer equipment, data and
14 telephone system, electrical supply system or electrical apparatus or wires serving the
15 Premises. Tenant shall pay all service charges for gas, water, and electricity serving the
16 Premises. Tenant shall pay connection fees and charges for all utilities, and service charges for
17 electronic, computer or telephone equipment installed, used, or operated by Tenant on the
18 Premises.

19
20 **17. JANITORIAL SERVICES AND GROUNDS MAINTENANCE.** Tenant shall provide all
21 janitorial, landscaping (including tree trimming), pest control, sweeping and parking lot services
22 and supplies at Tenant's sole expense. Tenant shall maintain the Premises at all times in a
23 neat, clean, orderly, and safe condition.

24
25 **18. TRASH AND RUBBISH SERVICES, WASTE OIL COLLECTION.** Tenant shall provide, at
26 Tenant's sole expense, proper containers for and the regular collection of all trash and rubbish
27 materials and waste oil, lubricants, paints or other chemicals and materials generated from or
28 accumulating on the Premises.

29
30 **19. COOPERATION BETWEEN TENANTS.** Tenant shall cooperate with all other tenants of
31 County who will be operating enterprises on the Airport and shall conduct its operations so as
32 to avoid interference with the operations of other tenants and other Airport users. Any difference
33 or conflict that may arise between Tenant and other tenants or other Airport users will be
34 adjusted and determined by the Director. If the operations of Tenant are impaired because of
35 any acts or omissions of such other tenants or other Airport users, Tenant shall have no claim
36 against County on that account.

37
38 **20. REPAIRS AND MAINTENANCE BY COUNTY.** No repairs to the Premises of any nature
39 will be performed by County, except for (a) the removal of the existing underground fuel storage
40 facility, which is outlined in section 51 herein, or (b) repairs to existing underground utilities on
41 and serving the Premises (up to the building) from damage not caused by Tenant (by way of
42 example only, a clogged waste line outside the building caused by Tenant would be Tenant's
43 responsibility.

44
45 **21. REPAIRS AND MAINTENANCE BY TENANT.** Tenant accepts the Premises in the present
46 condition. Tenant shall keep the Premises in good condition and repair and shall make any
47 repair and modification necessary to comply with all applicable building codes and regulations,
48 and shall make all repairs and replacements, capital in nature or otherwise, necessary to
49 maintain the Premises in good condition and repair except reasonable wear and tear and
50 matters covered by the County under Section 20, above. Tenant shall also maintain any lawns,

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landscaping, signage, walkways, parking areas, taxiways, and surfaces within the Premises to the satisfaction of the Director.

Prior to the commencement of lease year 11, Tenant shall arrange for an inspection of the facilities by a qualified, independent third- party inspector for the purpose of assessing any capital improvements and maintenance needs reasonably projected to be required to allow for continued use of the facility through the next 10 years, normal wear and tear excepted. Designation of the inspector is subject to the approval of County, which approval shall not be unreasonably conditioned, withheld or delayed. This inspection project shall also be conducted prior to commencement of lease year 21. County and Tenant shall meet and confer in good faith during the inspection and report process. Tenant shall timely perform all work reasonably required by the inspection report(s).

22. ENTRY BY COUNTY. County may enter upon the Premises at all reasonable times to examine the condition thereof, provided that County shall provide at least 24 hours' advance notice to Tenant (via email, telephone, or letter) , except in the event of an emergency, in which case no notice shall be required. Whenever practicable, Tenant shall provide an escort to accompany County during any pre-scheduled visit to examine the condition of the Premises, but in no event shall the nonavailability of a Tenant escort prevent County from its scheduled inspection

23. COMPLIANCE WITH LAW. Tenant shall not use or permit the use of the Premises for any illegal or immoral purposes and shall comply with all federal, state, and local laws and ordinances concerning the Premises and use thereof

County makes no representation or warranties with respect to the Premises' compliance with any applicable federal, state and local standards, codes, rules, or regulations governing physical access for persons with disabilities at places of public accommodation, including, but not limited to, the Americans with Disabilities Act of 1990, California's Unruh Civil Rights Act, California Building Standards Code, or California Health and Safety Code. Any repairs necessary to correct violations of construction-related accessibility standards at the Premises will be at Tenant's cost and expense.

24. AIRPORT REGULATIONS. Tenant agrees to observe, obey, and abide by all applicable laws, ordinances, field rules, and other regulations for the common and joint use of Airport facilities and for the maintenance and conduct of all its operations which are now or may hereafter be imposed or promulgated by County, the FAA, or any other governmental agency having jurisdiction over the subject matter.

25. FIRE REGULATIONS. Tenant shall at all times comply with all applicable laws, ordinances, and regulations pertaining to fire prevention, and shall furnish and keep adequate fire extinguishers in sufficient numbers and in convenient and accessible places on the Premises. The fire extinguishers shall be charged and ready for immediate use as required by fire regulations and applicable laws or ordinances. If Tenant receives an inspection notice or a deficiency notice following an inspection by a fire agency with jurisdiction over the Premises, Tenant agrees to make any and all corrections in the manner required by the fire agency within thirty (30) days after receipt of such notice.

26. ENVIRONMENTAL PROTECTION. Tenant shall take all measures available to:

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1 A. Avoid any pollution of the atmosphere or littering of Airport caused by or originating in, on, or
2 about the Premises.

3
4 B. Keep the noise level on the Premises to a minimum so that other tenants may effectively
5 utilize other areas of the Airport and so that persons in the general neighborhood will not be
6 detrimentally affected.

7
8 C. Keep the lights on the Premises from emitting light that could negatively affect the operation
9 of aircraft or ground vehicles in the area.

10
11 D. If Tenant's activities on the Premises involve in any manner the use, storage, or
12 transportation of any chemicals, solvents, or other material which may be considered to be
13 hazardous in their use, application, and/or transportation (other than gasoline, oil and other
14 chemicals and solvents customarily used in the operation of aircraft and documented as
15 required for storage and operation by NFPA standards), Tenant shall advise County in writing
16 immediately. Tenant agrees additionally to have the Ventura County Environmental Health
17 Division inspect any property subject to such use on a not less than semiannual basis.

18
19 E. Tenant's activities, as set forth in the preceding subsection, from the Premises prior to the
20 termination or expiration of the Agreement. In the event that Tenant fails to so clear the area
21 including specifically any underground storage tanks that are in a hazardous condition or have
22 been ascertained to be leaking by the Environmental Health Division, Tenant assumes liability
23 therefor and agrees to allow County to use any and all security deposits to pay for such cleanup
24 and/or removal.

25
26 **27. CONTAMINATION AND POLLUTION.** Tenant, solely at its own cost and expense, will
27 provide cleanup of any premises, property or natural resources contaminated or polluted due to
28 Tenant activities or related to Tenant's use or occupation of the Premises (and expressly not
29 including any Existing Contamination, the Existing Storage Tanks and any other contaminants
30 as of the Effective Date). Any fines, penalties, or punitive or exemplary damages assigned due
31 to contaminating or polluting activities of Tenant will be borne entirely by Tenant.

32 County shall take, or shall cause any person legally obligated to take, any and all action which
33 any governmental agency lawfully requires to be taken (Necessary Action) to investigate, clean
34 up, remediate or remove any Existing Contamination (as defined below) in the soil, subsoil, or
35 groundwater located in, on or under the Premises and County shall be solely responsible for
36 and shall defend, indemnify and hold harmless Tenant from and against any and all demands,
37 claims, actions, causes of action, proceedings, judgments, awards, damages, fines, penalties,
38 liabilities, obligations, losses, costs and expenses arising out of, resulting from or caused by
39 Existing Contamination of the Premises, including the migration of Existing Contamination of
40 the Premises to other real property not caused by Tenant, or Existing Contamination of adjoining
41 property that migrates on to the Premises. The indemnification of Tenant under this section shall
42 survive the termination of this Agreement. The term Existing Contamination means the
43 presence of hazardous substances, whose handling, storage, release, transportation or
44 disposal is or becomes prohibited, limited or regulated by any federal, state, county, regional or
45 local authority or, even if not so regulated, poses a hazard to the health and safety of any person
46 or to the environment, which predates the Effective Date and is not caused by Tenant or related
47 to Tenant's activities.

48
49 **28. STORMWATER REGULATIONS ACKNOWLEDGMENTS.** Notwithstanding any other
50 provisions or terms of this Agreement. Tenant acknowledges County is subject to federal

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stormwater regulations, 40 CFR Part 122, for aircraft maintenance shops (including aircraft rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations that occur at the Airport as defined in these regulations and, as applicable, state stormwater regulations. Tenant further acknowledges that it is familiar with these stormwater regulations; that it conducts or operates vehicle and aircraft maintenance and equipment cleaning operations activities as defined in the stormwater regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations. County and Tenant both acknowledge that close cooperation is necessary to minimize costs. Tenant acknowledges and agrees that it will undertake all reasonably necessary actions to minimize the exposure of stormwater to significant materials generated, stored, handled, or otherwise used by Tenant, by adhering to County requirements and Best Management Practices. Best Management Practices means practices employed to prevent or reduce source water pollution, such as the construction of runoff-retention basins and replanting eroding surfaces as described in the Oxnard Airport's Stormwater Pollution Prevention Plan. The Airport will conduct annual Best Management Practices inspections to assure Tenant's compliance.

29. RENEWABLE ENERGY REQUIREMENTS. Only 100% renewably generated electricity shall be used for electrical load within the leasehold, if commercially available from an electrical service provider (load serving entity, except where prohibited by law. The 100% renewably generated electricity can either be generated on site and/or purchased through the electric service provider or other source. The term "100% renewably generated electricity" means electricity generated from facilities qualifying under California's Renewable Portfolio Standard (RPS) regulations.

30. ASSIGNMENT AND SUBLETTING. Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber (collectively referred to as a "Transfer") all or any part of Tenant's interest, right or privilege in this Agreement, or in the Premises, without County's prior written consent and will not suffer any other person (the agents and employees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without the prior written consent of the County and such consent shall not be unreasonably withheld or delayed. Any attempted Transfer without County's prior written consent shall be void and shall, at County's option, be a material and incurable default under this Agreement and constitute a forfeiture of this Agreement. County may accept Rent payments from any person or entity other than Tenant without thereby consenting to a Transfer or waiving the requirement of County's consent thereto. Consent to a Transfer shall not be deemed a consent to any subsequent Transfer. Any assignment of all or substantially all of Tenant's rights and obligations under this Agreement will also be subject to County's review and approval, at its sole discretion, of the proposed assignee's financial and operational qualifications.

County shall not be required to consent to any Transfer where, at the time of Tenant's request for such consent, Tenant is in default under this Agreement. The term "Transfer" shall include the following:

- a. If Tenant is a partnership or limited liability company: (1) a change in ownership effected voluntarily, involuntarily, or by operation of law of forty-nine and nine-tenths percent (49.9%) or more of the partners or members or forty-nine and nine-tenths percent (49.9%) or more of the partnership or membership interests; or (2) the dissolution of the partnership or limited liability company without its immediate reconstitution.
- b. If Tenant is a closely held corporation (i.e. one whose stock is not publicly held and not

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traded through an exchange or over the counter); (1) The sale or other transfer of more than an aggregate of forty-nine and nine-tenths percent (49.9%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death); or (2) the sale, mortgage, hypothecation, or pledge of more than an aggregate of twenty-five percent (25%) of the value of Tenant's unencumbered assets; or (3) the dissolution merger, consolidation, or other reorganization of Tenant.

Terms and Conditions of Assignment. Regardless of County's consent thereto, no assignment of this Agreement shall be effective until Tenant delivers to County an instrument duly executed and acknowledged by the assignee whereby such assignee assumes and agrees to be bound by and to perform all covenants and obligations of Tenant under this Agreement. In no event shall Tenant be released from liability hereunder following any such assignment.

Each assignment of this Agreement, or any interest therein, shall be subject to the Transfer Fee for Long Term Lease (Term exceeding 1 year) as identified in the then-current Rent and Fee Schedule.

Terms and Conditions of Subletting. Regardless of County's consent, the following terms and conditions shall apply to any subletting by Tenant of the Premises and shall be included in all sublease agreements:

- a. No sublease entered into by Tenant shall be effective unless and until it has been approved in writing by County. In entering into any sublease Tenant shall use only such form of sublease as is satisfactory to County and once approved by County such sublease shall not be changed or modified without County's prior written consent. Any subtenant shall, by reason of entering into a sublease under this Agreement, be deemed, for the benefit of County, to have assumed and agreed to perform and comply with each and every obligation herein to be performed by Tenant other than such obligations as are contrary to or inconsistent with provisions contained in a sublease to which County has expressly consented in writing.
- b. The consent by County to any subletting shall not release Tenant from its obligations or alter the primary liability of Tenant to pay the Rent and perform and comply with all of the obligations of Tenant to be performed under this Agreement.
- c. The consent by County to any subletting shall not constitute a consent to any subsequent subletting by Tenant or to any assignment or subletting by the subtenant.
- d. No subtenant shall further assign or sublet all or any part of the Premises without County's prior written consent.

31. DOCUMENT PROCESSING FEE. A Document Processing Fee shall be paid by Tenant in accordance with the Rent and Fee Schedule. This Document Processing Fee shall be deemed earned by County when paid and shall not be refundable. Said fee is construed as reimbursement of administrative costs incurred pursuant to the transaction. County-initiated documents are exempt from processing fee charges.

32. DEFAULT OR BREACH. Notwithstanding anything to the contrary in this Agreement, at any time one party to this Agreement is in default or breach in the performance of any of the terms and conditions of this Agreement, the other party shall give written notice to remedy such default or breach. If the default or breach is (a) a failure to pay rent or other sums and remedied within three (3) business days following such notice, or (b) with respect to any other obligation and otherwise is curable, remedied within thirty (30) days following such notice, or if it is not

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reasonable for such default or breach to be cured within such 30-day period and provided Tenant is actively and diligently prosecuting a remedy to cure the default of breach (but in no event continuing after 120 days), then this Agreement shall continue in full force and effect. If such default or breach is not remedied within 3 business days or thirty (30) days, as applicable, or as extended as noted above, following such notice, or if the default or breach is otherwise incurable, the other party may, at its option, terminate this Agreement. Such termination shall not be considered a waiver of damages or other remedies available to either party because of such default or breach. Each term and condition of this Agreement shall be deemed to be both a covenant and a condition.

33. WAIVER AND NON WAIVER. The failure of either party to (a) give any notice of default or breach of the Agreement, or (b) terminate the Agreement because of a default or breach thereof, or (c) exercise any other right conferred on it pursuant to this Agreement shall not be a waiver of any right or rights conferred by the Agreement nor shall County be estopped to assert such right or rights at any reasonable time after County has knowledge of a breach or default.

No waiver of any default or breach shall constitute a waiver of any other default or breach, whether of the same or any other term, covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by County or Tenant shall give the other any contractual right by custom, estoppel, or otherwise. The subsequent acceptance of rent shall not constitute a waiver of any preceding default by Tenant other than a default in the payment of the particular rental payment so accepted, regardless of County's knowledge of the preceding breach at the time of accepting the rent, nor shall acceptance of rent or any other payment after termination of this Agreement constitute a reinstatement, extension, or renewal of this Agreement or revocation of any notice or other act by County.

34. PARTIES BOUND AND BENEFITED. The terms and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto.

35. TIME. Time is of the essence with respect to this Agreement.

36. HOLD HARMLESS AND INDEMNIFICATION. Tenant agrees to defend (at County's request), indemnify, and save harmless County and its boards, agencies, departments (including the Department of Airports), officers, employees, agents and volunteers, from and against any and all claims, lawsuits, whether against Tenant, County or others, judgments, debts, demands and liability, including, without limitation, those arising from injuries or death of persons and/or for damages to property, arising directly or indirectly out of Tenant's use or occupancy of the Premises or out of operations conducted or subsidized in whole or in part by Tenant; provided, however, the foregoing indemnity applies only to the extent of, and in proportion to, Tenant's negligence or willful misconduct.

37. DESTRUCTION OF PREMISES. If the Premises should be destroyed by any cause, except as caused by the negligence or willful misconduct of Tenant, or declared unsafe or unfit for occupancy by any authorized public authority for any reason, except as caused by the negligence or willful misconduct of Tenant, either wholly or in such a degree as to substantially impair Tenant's use of the Premises, and, if there remains five or fewer years of the term of this Agreement, at County's sole election, the Agreement shall thereby be terminated. If the Premises should be destroyed under the conditions noted above with more than five years remaining of the Agreement's term, then the parties shall negotiate in good faith the terms of an

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agreement amending this Agreement regarding whether the Premises should be rebuilt and the timeline and terms under which the Premises must be rebuilt.

38. FAA SPECIAL PROVISIONS.

A. Tenant, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964 (49 CFR Part 21), and as said regulations may be amended.

B. Tenant, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the facilities; (2) 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 in the construction of any improvements on, over, or under such land and the furnishing of services thereon; and (3) Tenant shall use the Premises in compliance with all other applicable requirements imposed by or pursuant to 49 CFR Part 21, and as said regulations may be amended.

C. In the event of breach of any of the above nondiscrimination covenants (following written notice and expiration of a 30-day cure period), County shall have the right to terminate the Agreement and to reenter and repossess the land and the facilities thereon, and hold the same as if the Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

D. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

E. Non-compliance with subsection D above shall constitute a material breach thereof and, in the event of such non-compliance, (following written notice and expiration of a 30-day cure period) County shall have the right to terminate this Agreement and the estate hereby created without liability therefor or, at the election of County or the United States of America, either or both of said governments shall have the right to judicially enforce subsection D.

F. Tenant agrees that it shall insert the above five subsections in any lease, contract or similar agreement by which Tenant grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises or any portion thereof.

G. Tenant assures that it will undertake an affirmative action program as required by 14 CFR

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Part 152, Subpart E, to insure 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. Tenant 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. Tenant assures that it will require that its covered suborganizations provide assurances to Tenant 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.

H. County reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Tenant and without interference or hindrance. Such reservation includes without limitation the right to develop and operate this and other airports, to relocate existing operations at this and other airports, and to offer services and facilities at this and other airports that may compete with the operations of Tenant

I. County reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

J. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between County and the United States of America, relative to the development, operation, or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal or other governmental funds for the development of the Airport, to the extent of the conditions of any existing or future funds. County agrees to provide Tenant written advance notice of any provisions that would adversely modify the material terms of the Agreement.

K. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the FAA regulations in the event future construction of a building is planned for the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

L. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of section 308a of the Federal Aviation Act of 1958 (49 U.S.C. § 1349a).

M. There is hereby reserved to County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from or operation on the Airport.

N. Tenant, by accepting this Agreement, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the Premises above the mean sea level elevation of more than 100 feet. In the event the aforesaid covenants are breached, County reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant.

O. Tenant, by accepting this Agreement, agrees for itself, its successors and assigns that it will

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not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, County reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Tenant.

P. This Agreement and all the provisions hereof shall be subject to whatever right the United States of America now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States of America during the time of war or national emergency.

39 FEDERAL GOVERNMENT EMERGENCY CLAUSE. All provisions of the Agreement shall be subordinate to the rights of the United States of America to operate the Airport or any portion thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

40. CONDEMNATION. If the whole of the Premises should be taken by a public authority under the power of eminent domain, then the term of this Agreement shall cease on the day of possession by said public authority. If a part only of the Premises should be taken under eminent domain, Tenant shall have the right to either terminate this Agreement or to continue in possession of the remainder of the Premises. If Tenant remains in possession, all of the terms thereof shall continue in effect, the minimum rent payable being reduced proportionately for the balance of the term of this Agreement. If a taking under the power of eminent domain occurs, those payments attributable to the leasehold interest of Tenant shall belong to Tenant, and those payments attributable to the reversionary interest of County shall belong to County.

41. CONDITION OF PROPERTY UPON TERMINATION. Upon the expiration, termination, or cancellation of this Agreement for any reason, Tenant shall vacate the Premises and deliver it to County in good order and condition, damage by the elements, fire, earthquake and ordinary wear and tear excepted.

42. REMOVAL OF TENANT'S PERSONAL PROPERTY. Unless otherwise mutually agreed in writing by the parties hereto, at the expiration, termination or cancellation of this Agreement, Tenant shall have removed, at its own expense, all personal property of any kind owned or placed on the Premises by Tenant, along with all debris, surplus and salvage material, and shall leave the Premises in a clean and orderly condition. If Tenant does not remove, or has not completed removal of its personal property within seven (7) days after such expiration, termination or cancellation, title thereto shall vest in County. County may thereafter remove or cause to be removed or destroyed such personal property left on the Premises, and in such event, Tenant shall pay County the reasonable and actual cost of any such removal, sale or destruction in excess of any consideration received by County as a result of any such removal, sale or demolition.

43. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties hereto and no obligation other than those set forth herein will be recognized.

44. AGREEMENT MODIFICATIONS. This Agreement may be terminated, extended, or amended in writing by the mutual consent of the parties hereto. The Director or an authorized representative on behalf of County may execute such modification.

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1 **45. PARTIAL INVALIDITY.** If any term, covenant, condition or provision of this Agreement is
2 found by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of
3 the provisions hereof shall remain in full force and effect and shall in no way be affected,
4 impaired, or invalidated thereby.

5
6 **46. GENDER AND NUMBER.** For the purpose of this Agreement, wherever the masculine or
7 neuter form is used, the same shall include the masculine or feminine, and the singular number
8 shall include the plural and the plural number shall include the singular, wherever the context
9 so requires.

10
11 **47. SECTION HEADINGS.** Section headings in the Agreement are for convenience only and
12 are not intended to be used in interpreting or construing the terms, covenants and conditions of
13 this Agreement.

14
15 **48. GUARANTY.** Tenant's performance of all obligations under this Agreement is guaranteed
16 by Matthew Johnston, an individual, under the guaranty attached hereto as Exhibit "B" and
17 incorporated herein by reference ("Guaranty"). County has been induced to enter into this
18 Agreement, in material part, due to the promises contained in the Guaranty, County would not
19 have entered into this Agreement without the Guaranty, and the Guaranty constitutes both a
20 covenant and a condition of this Agreement.

21
22 **49. ENCUMBRANCE OF LEASEHOLD INTEREST BY TENANT.**

23 Tenant may encumber its interest in this Agreement in the following manner:

24
25 A. The provisions herein shall apply to any leasehold mortgaging by Tenant occurring
26 without subordination of County's interest.

27
28 1. Tenant and each subsequent County-approved legal holder of the leasehold estate
29 created hereby (Legal Holder), for so long as it is not in default under this Agreement, may
30 at any time and from time to time encumber its interest in this leasehold estate by mortgage,
31 deed of trust, conditional or unconditional assignment, security agreement or other
32 instrument of the same effect (Mortgage); provided, however, that no mortgagee, trustee or
33 secured party (Mortgagee) or anyone claiming through such Mortgagee shall acquire any
34 greater rights in the Premises than the Legal Holder then had under this Agreement; and
35 provided further that such Mortgage shall be subject to this Agreement and the rights of
36 County hereunder.

37
38 2. The Mortgagee under any such Mortgage and the owners of the indebtedness secured
39 by said Mortgage shall not become liable under this Agreement unless and until they shall
40 become the owners of the legal title to this leasehold estate and the improvements.

41
42 B. The provisions herein shall apply to leasehold mortgaging occurring with subordination of
43 County's interest. By "subordination of County's interest," the parties mean a first lien deed
44 of trust or mortgage encumbering Tenant's leasehold estate in the Premises, as established
45 by this Agreement. County agrees to subordinate its interest in the Premises to a first deed
46 of trust or mortgage in favor of a construction and/or permanent lender providing funds for
47 the construction of the buildings, facilities and improvements on the Premises, subject,
48 however to the following terms and conditions:

49
50 1. Subordination shall be limited to deeds of trusts or mortgages that secure construction or

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1 permanent loans.

2
3 2. Subordination shall be limited to ninety percent (90%) of the construction costs.

4
5 3. County shall be provided in advance with copies of the following:

- 6
7 a) The construction contracts showing the construction price;
8 b) The note and deed of trust or mortgage instruments. County shall have the right to
9 approve the proposed loan documents, which approval shall not be unreasonably withheld;
10 and
11 c) Such other information as is reasonably necessary to assure compliance with the
12 provisions hereof.

13
14 4. County shall, at or prior to the closing on any construction and/or permanent loan, execute,
15 acknowledge, and deliver such instruments and documents, including any subordination
16 agreement, as shall be required by and in the form reasonably satisfactory to the lender;
17 provided, however, County shall have no liability under any of said documentation. County
18 shall permit a separate deed of trust or mortgage to be placed on the Premises.

19
20 5. The permanent loan shall be made only by an institutional lender or individuals or groups
21 known to Tenant or its members or manager. The term "institutional lender" as used herein
22 shall include a national or a state bank, savings and loan institution, insurance company,
23 pension fund, endowment fund, foundation, or any other non-profit organization similar to
24 those enumerated herein or any trust with professional management or a fund created by
25 County-approved tax exempt financing.

26
27 6. A default by Tenant under the terms of any note and deed of trust or mortgage to which
28 County has subordinated its interest shall be considered an event of default under this
29 Agreement (subject to any applicable notice and cure period provided in Section 32).

30
31 7. Any deed of trust or mortgage to which County has subordinated its interest shall provide
32 that:

- 33
34 a) Notice of any default shall be given by the lender to County.
35 b) County may (but shall not be required to) cure any default by Tenant under the terms
36 of the note and deed of trust or mortgage within a period of fifteen (15) days following the
37 receipt by County of notice of such default. If County elects to cure any default, any sums
38 expended by County to cure any such default shall be deemed advances made for the benefit
39 of Tenant, which sums shall bear interest at the rate which is the greater of two percent (2%)
40 per month or ten percent (10%) over the prime rate published in the Wall Street Journal on
41 the date of default, from the date of such advance until repaid, and shall be payable by Tenant
42 to County as additional rent hereunder within ten (10) days after notice of payment is given
43 to Tenant by County. Should County not exercise its right to cure within the time provided,
44 the Mortgagee shall be free to exercise any rights or remedies allowed under the note and
45 deed of trust or mortgage. If the Mortgagee in fact cures Tenant's defaults under the note
46 and deed of trust or mortgage, the amount needed to cure shall not include additional rent
47 which was paid by County to cure the default, and County shall continue to have the right to
48 collect this additional rent directly from Tenant.
49 c) Following any repossession by County of the Premises, County may (but shall not be
50 required to) assume the existing note and deed of trust or mortgage without penalty, provided

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Axis Air, LLC, a California Limited Liability Company

only that the said instruments are not in default or, if in default, that such default is cured within fifteen (15) days of repossession or notice of default given under (b) above, whichever occurs first, and that County would then meet the standards of the holder of the note and deed of trust or mortgage with respect to the assumption of like or similar instruments. County agrees to execute and deliver any documents as shall be reasonably required by the holder of the note and deed of trust or mortgage to effectuate and carry out such assumption, and assumption by County shall not result in the release of any borrower or guarantor of the indebtedness secured by the deed of trust or mortgage.

8. The Mortgagee under any such mortgage or deed of trust and the owners of the indebtedness secured by said mortgage or deed of trust shall not become liable under this Agreement unless and until they shall become the owners of the legal title to this leasehold estate and the improvements.

9. All encumbrances authorized by this Section constitute a Transfer, as defined in Section 30 of this Agreement.

10.. Subject to the rights of the construction and/or permanent lender, in the event of any default under this Agreement, County shall be entitled to exercise all or any of its remedies as provided under this Agreement.

50. NO SMOKING PROVISIONS. Pursuant to the Ventura County Comprehensive Smoke-Free Ordinance, Ventura County Ordinance Code section 6707, smoking and the use of tobacco products are prohibited in all vehicles, buildings, and other enclosed and unenclosed areas on the Premises, except for smoking areas designated by the Ventura County Executive Officer or Public Health Department Director.

51. REMOVAL OF UNDERGROUND FUELING TANKS. At County's sole cost and expense, upon execution of this Agreement by County and Tenant, County shall initiate (and thereafter diligently pursue as soon as reasonably practicable) the removal and decommissioning of the existing underground fuel tanks, the location of which is identified on the attached Exhibit "A". County's reasonable actions on and about the Premises to effect the removal of the tanks does not constitute a failure to deliver possession of the Premises, and Tenant is not thereby entitled to abandon the tenancy. Instead, during any period when County's construction activity to effect removal of the tanks interferes with Tenant's use of the Premises, Tenant is entitled to a reduction in Ground Rent, to be calculated by subtracting from the Premises land area the square footage of the affected construction area. Said reduction in Rent will last only until the County's activity on the Premises has ended and the County has restored the Premises to a grade and condition reasonably suitable for Tenant's use.

52. NOTICES AND PAYMENTS. All notices required under this Agreement, including change of address, shall be in writing, and all notices and payments shall be made as follows:
A. All payments and notices to Tenant shall be given or mailed to:

Axis Air, LLC
Attn: Matthew Johnston
1450 Boughton Drive
Bakersfield, CA 93308
Email: MattJ@calaero.edu

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Axis Air, LLC, a California Limited Liability Company

B. All payments and notices to County shall be given or mailed to:

County of Ventura
Department of Airports
555 Airport Way, Suite B
Camarillo, CA 93010

[remainder of page intentionally left blank; signatures on next page]

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Axis Air, LLC, a California Limited Liability Company

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the latest date written below, which is the Effective Date.

COUNTY OF VENTURA

By: _____ TITLE: Director, Department of Airports
Keith Freitas

Dated: _____

AXIS AIR, LLC, a California limited liability company

By: _____ TITLE:
Matthew Johnston

By: _____ TITLE:
Dean Johnston

Dated: _____

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Axis Air, LLC, a California Limited Liability Company

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Exhibit A

That portion of Lot 106 of the Patterson Ranch Subdivision in the City of Oxnard, County of Ventura, State of California, as shown on the map recorded in Book 8 Page 1 of Miscellaneous Records (Maps), in the office the County Recorder of said County of Ventura, described as follows:

COMMENCING at the Standard Ventura County bronze disc in well at Station 146+77.95 as shown on Ventura County Field Book (VCFB) 1464-M page 7 filed in the Office of the County Surveyor of said County; thence along the centerline of West 5th Street also being the southerly line of Lot 106 as shown on said VCFB 1464-M page 7

South 88° 45' 13" East 288.17 feet; thence at right angles

North 1° 14' 47" East 56.00 feet to the 1st course of the Easement Deed recorded on October 31, 2002, as Document No. 2002-0268367 of Official Records in the office of said County Recorder, said point being the **TRUE POINT OF BEGINNING**; thence continuing

1st North 01° 14' 47" East 611.50 feet to a point on a line parallel with and distant northerly 667.50 feet from said centerline of West 5th Street; thence along said parallel line

2nd South 88° 45' 13" East 371.96 feet to the westerly line of Tract No. 4611 as shown on the map recorded in Book 124 page 98 of Miscellaneous Records in the office of said County Recorder; thence along said westerly line

3rd South 01° 15' 26" West 540.49 feet to a point on said westerly line distant North 01° 15' 26" East 71.01 feet from a lead and tack tagged "RCE 23241" in lieu of 3/4" iron pipe tagged "RCE 23241" per said map, said lead and tack also being the northwesterly corner of Parcel 1 of the Easement Deed recorded on August 7, 1989, as Document No. 89-123142 of Official Records in the office of said County Recorder; thence leaving said westerly line

4th North 88° 39' 49" West 29.22 feet; thence

5th South 01° 46' 05" West 71.06 feet to a point on the 1st course of said Easement Deed recorded as Document No. 2002-0268367 in the Office of said County Recorder being distant along said 1st course North 88° 45' 13" East 29.95 feet from said lead & tack, said lead & tack also being the easterly terminus of said 1st course; thence along said 1st course

6th North 88° 45' 13" West 342.00 feet to the **TRUE POINT OF BEGINNING**

CONTAINING 5.17 ACRES MORE OR LESS



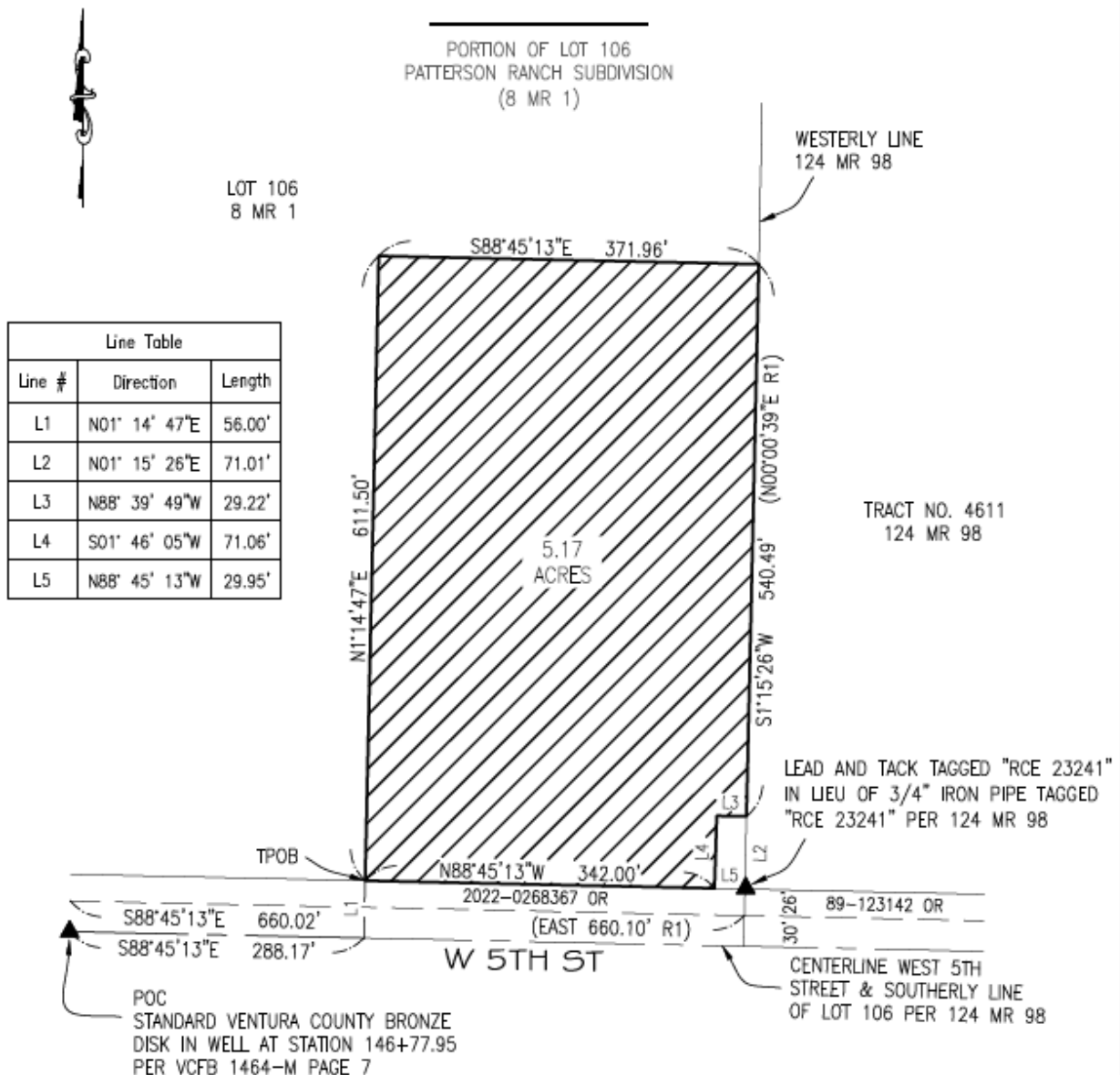
Joseph V. DeChellis
PLS 8613

5/15/2024
Date



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SHEET 1 OF 1 SHEET



REFERENCE

R1 124 MR 98

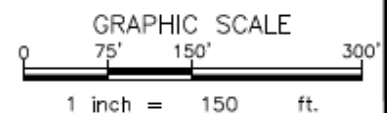
LEGEND

MR MISCELLANEOUS RECORDS
 OR OFFICIAL RECORDS
 POC POINT OF COMMENCEMENT
 TPOB TRUE POINT OF BEGINNING
 VCFB VENTURA COUNTY FIELD BOOK



Joseph V. DeChellis
 JOSEPH V. DeCHELLIS
 PLS 8613

5/15/2024
 DATE



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Axis Air, LLC, a California Limited Liability Company

Exhibit B

GUARANTY

Axis Air, LLC (Axis) and the County of Ventura (County) intend to enter into a lease of premises in the northeast area of the Oxnard Airport (Agreement), under which County will lease the premises to Axis.

Matthew Johnston has a financial interest in Axis.

County would not execute the Agreement if Matthew Johnston did not execute and deliver to County this guaranty (Guaranty).

Therefore, in consideration of the execution of the Agreement by County, and as a material inducement to County to execute the Agreement, Matthew Johnston hereby unconditionally and irrevocably agrees as follows:

1. Matthew Johnston guarantees the prompt payment by Axis of all rents and all other sums payable by Axis under the Agreement and the faithful and prompt performance by Axis of each and every one of the terms, conditions, and covenants that the Agreement requires Axis to perform.
2. The terms of the Agreement may be modified by agreement between County and Axis, and this Guaranty guarantees the performance of the Agreement as so modified.
3. No failure or delay on County's part to enforce any of County's rights or remedies under the Agreement releases, modifies, or in any way affects this Guaranty or Matthew Johnston's obligations under this Guaranty.
4. County need not give any notice of default of the Agreement to Matthew Johnston. County may proceed immediately against Axis, Matthew Johnston, or both, without first proceeding against either Axis or Matthew Johnston and without previous notice to or demand upon Axis or Matthew Johnston, following any breach or default by Axis or for the enforcement of any rights County may have against Axis under the terms of the Agreement, at law, or in equity.
5. Matthew Johnston hereby waives all of the following:
 - (a) Notice of acceptance of this Guaranty;
 - (b) Demand of payment, presentation, and protest;
 - (c) All right to assert or plead any statute of limitations relating to this Guaranty or the Lease;
 - (d) Any right to require County to proceed against Axis or any other guarantor or any other person or entity liable to County;
 - (e) Any right to require County to apply to any default any security deposit or other security it may hold under the Agreement;

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- (f) Any right to require County to proceed under any other remedy Axis may have before proceeding against Matthew Johnston; and
- (g) Any right of subrogation that Matthew Johnston may have against Axis.
6. Matthew Johnston hereby subordinates all existing or future indebtedness of Axis to Matthew Johnston to the obligations owed to County under the Agreement and this Guaranty.
7. If Matthew Johnston is married, he expressly agrees that recourse may be had against his separate property for all of the obligations under this Guaranty.
8. As used in this Guaranty, the term “Axis” means and includes Axis’s successors and assigns.
9. Any recovery by County from any other guarantor or insurer must first be credited to that portion of Axis’s indebtedness to County that exceeds the maximum liability of Matthew Johnston under this Guaranty.
10. No provision of this Guaranty or right of County can be waived, nor can Matthew Johnston be released from his obligations under this Guaranty except in writing signed by County.
11. Any litigation concerning this Guaranty must be initiated in the Superior Court of California in the County of Ventura, and Matthew Johnston consents to the jurisdiction of that court. This Guaranty is governed by the laws of the State of California. For the purposes of any rules regarding conflicts of law the parties must be treated as if they were all residents or domiciles of the State of California.

COUNTY:

County of Ventura,
a political subdivision of the State of
California

MATTHEW JOHNSTON:

By: _____
Name: _____
Title: _____
Date: _____

Matthew Johnston, an individual

Date: _____

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EXHIBIT “C”

**REQUIRED MINIMUM STANDARDS FOR AERONAUTICAL SERVICES FOR VENTURA
COUNTY AIRPORTS**

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EXHIBIT “D”
Tenant’s New Improvements



