

**Space License Agreement
Napa County Airport**

THIS LICENSE AGREEMENT ("License") is made and entered into as of this ___ day of January, 2023, by and between Napa County, a political subdivision of the State of California, hereinafter referred to as "County", and Napa Jet Center, Inc. DBA Atlantic Aviation, a California corporation, hereinafter referred to as "Licensee".

RECITALS

WHEREAS, County owns and operates the Napa County Airport, a general aviation airport located in Napa County, California, hereinafter referred to as "Airport"; and

WHEREAS, Licensee is a successor in interest to a continual commercial presence at the Napa County Airport since 1993 under agreement 3371; and

WHEREAS, Licensee has licensed premises in the County's Terminal Building since October 2020 for a flight training operation; and

WHEREAS, County anticipates demolishing the County's terminal building in connection with its plans to facilitate construction of significant new ramp space and other improvements; and

WHEREAS, Licensee has entered into a separate but related agreement with the County, Agreement No. 230232B, which requires Licensee to continue to provide flight training services at the Airport but does not provide Licensee with the space to provide these services; and

WHEREAS, County desires to work with Licensee to provide space within County facilities located at 2000 Airport Road, Napa, CA 94558; and

WHEREAS, County currently has property available to be licensed for this purpose;

TERMS

NOW, THEREFORE, BE IT AGREED as follows:

1. Relation to Existing Agreement.

This License is related to the lease agreement between Licensee and County under Agreement 230232B, copy of which is on file with the Napa County Clerk's office.

2. Demised Premises.

County hereby licenses to Licensee, on and subject to all of the terms, covenants and conditions hereinafter as set forth:

- a. From the commencement date to June 30, 2023: approximately 1,350 square feet at the Airport Terminal located at 2030 Airport Road. The Demised Premises is depicted in Exhibit A, attached hereto and incorporated by reference herein.
- b. From the July 1, 2023 until June 30, 2025: approximately 1,350 square feet at 2000 Airport Road. The Demised Premises is depicted in Exhibit B, attached hereto, and incorporated by reference herein.

3. Permitted Uses

The Demised Premises are to be utilized in conjunction with Licensee's commitment for flight instruction and training operations either directly or indirectly through contracted subtenants.

4. Term.

The term of this License shall commence retroactively to December 6, 2022 and continue until June 30, 2025. This license may terminate with Licensee providing sixty (60) days written notice, or may be terminated earlier in accordance with Paragraph 9 (Termination); except that the obligations of Licensee under Paragraph 12 (Indemnification) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the License.

5. Rent.

(a) Monthly Rent. Licensee agrees to and shall pay on the 1st of every month to by check mailed to Napa County Airport, Payment Processing – Airport, 2030 Airport Road, Napa, CA 94558 (or at such other place as County shall from time to time in writing designate) the sum of Two Thousand, Eight Hundred and Four Dollars and Eighty-five Cents (\$2,804.84) per month as rent for the Demised Premises (the "Rent"). Any partial month of the tenancy of the Demised Premises shall be prorated. Rent may be adjusted by the Airport Manager for any period of holdover, but in no case will the rent be more than 150% of the current rent.

(b) Procedure for Payment. It is understood and agreed that Licensee shall pay the Rent to County in advance for the following month on or before the first day of each calendar month. Any such payments which are not paid by the 15th of the calendar month shall be deemed delinquent and subject to a late charge of 12 percent (12%) per annum until paid.

(c) Security Deposit. County will recognize the security deposit collected for agreement 230232B for the duration of the term of this agreement as applying to this agreement concurrently. If Licensee fails to pay rent, or otherwise defaults under this License, County may use, apply, or retain all or any portion of the Security Deposit for the payment of any amount already due County, for fees which will be due in the future, and/or to reimburse or compensate County for any liability, expense, loss, or damage which County may suffer or incur by reason thereof. Lessee shall replenish any funds charged against the deposit within thirty (30) days of receiving notice from County. County's option to pull funds from the deposit for past due Rent or other sums due shall not alter Lessee's obligations to pay any fees or interest otherwise required by this Agreement.

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6. Utilities Furnished by County.

(a) Heating, Lighting, Water and Electrical Service: It is understood and agreed that County will provide satisfactory and adequate heating, lighting, air conditioning, water and electrical service facilities for the Demised Premises. County agrees to maintain such facilities in reasonably good working order, repair and operation during the term of this Lease, except that Licensee shall be responsible for furnishing and installing all light bulbs for the portions of the Demised Premises other than the common areas.

(b) Payment of Utility Bills and Services: Utility services shall be paid for as follows:

1. Water and Sewer Service. Until such time as County can provide an equitable method of determining utility usage between Licensees, County shall be responsible for the cost of furnishing water to the Demised Premises for normal office use and shall pay all sewer charges.

2. Gas and Electricity Service. Until such time as County can provide an equitable method of determining utility usage between Licensees, County shall pay for all gas and electricity furnished to the Demised Premises.

(c) Common Area Maintenance. County shall be responsible for common area maintenance charges, if any.

(d) Custodial and Garbage Service. Licensee shall be responsible for obtaining and paying for custodial service within the Demised Premises including emptying waste receptacles. County shall be responsible for providing a refuse dumpster onsite and common area bathroom janitorial service.

(e) Wi-Fi and Telephone Service. Licensee shall be responsible for obtaining and paying for telephone and Wi-Fi services.

7. Relocation.

County shall have the right to relocate Licensee within the Airport property with similar facilities as the Demised Premises. County shall be required to give Licensee a written 90-day notice of such relocation. Licensee shall be responsible for all costs associated with such relocation.

8. Temporary Suspension of License.

In the event of riot, war, or other event affecting public safety or national security, County reserves the right to prevent access to the Demised Premises during the continuance of the same for the safety of persons and protection of property. If Licensee is unable to carry on its business in excess of seventy-two (72) hours because of Demised Premises closure by County's due to an event of riot, war, or other event affecting public safety or national security, Licensee's minimum monthly rent will be equitably adjusted during the closure period.

County shall also have the unilateral right to temporarily suspend this License for up to 5 days per year, when, in the discretion of Director of Public Works or the Airport Manager or their designees, the activities of Licensee would conflict with certain activities being conducted at the Airport. Such activities shall include, but not limited to, construction, special events, etc. County

shall give Licensee 14 calendar days advance written notice of any such suspension. Licensee shall not be entitled to any compensation for damages, direct or indirect, for loss of use of these Airport facilities during any suspension properly imposed pursuant to this subparagraph.

9. Termination.

- a. For health and safety violations. The Director of Public Works or the Airport Manager may terminate this License immediately and without further notice for failure of the Licensee to comply with any of the conditions of this License relating to public health and safety. The reasons for such termination shall be stated in writing and a copy thereof given to the Licensee no later than five (5) days following the effective date of the termination.
- b. Cause (general). If either party shall fail to fulfill in a timely and proper manner that party's obligations under this License or otherwise breach this License and fail to cure such failure or breach (other than one pertaining to health and safety violations), within thirty (30) days of receipt of written notice from the other party describing the nature of the breach, the non-defaulting party may, in addition to any other remedies it may have, terminate this License by giving ten (10) days written notice to the defaulting party in the manner set forth in Section 21 (Notices).
- c. Cause (Agreement 230232B). This License is conditional on Licensee remaining in good standing with respect to Agreement 230232B. The Parties agree that this License shall automatically terminate on the date of Agreement 230232B's termination, revocation, or expiration. Where all notice requirements of Agreement 230232B, if any, have been met, no additional notice shall be required for this License's termination under this subparagraph.

10. Building Access/Locks/Keys.

Licensee agrees to comply with reasonable regulations and directives of County regarding access to the Demised Premises during hours that Licensee is not open for business. Licensee shall not alter any lock or install a new or additional lock or new bolt on any door of the Demised Premises without prior written consent of County. If County shall give its consent, Licensee shall in each case furnish County with a key for any such lock. Upon expiration or termination of this Lease, Licensee shall promptly deliver to County all keys which shall have been furnished Licensee or which Licensee shall have had made.

11. Inspection Of Demised Premises.

County and the agents and employees of County shall have the right to enter upon the Demised Premises at all reasonable times upon prior reasonable notice to inspect the same to see that no damage has been or is done and to protect any and all rights of County and to post such reasonable notices as County may desire to protect the rights of County. Except in the case of an emergency, when the Licensee has abandoned or surrendered the Demised Premises, or if it is impracticable to do so, County shall give Licensee reasonable notice of its intent to enter, such entry to be made only during normal business hours. Twenty-four (24) hours shall be presumed to be reasonable notice in the absence of evidence to the contrary.

12. Indemnification.

Licensee shall protect, defend, indemnify and hold harmless County, its officers, employees contractors and agents against any claim, loss, obligation or liability arising out of or resulting in any way from Licensee's occupation or use of the Demised Premises or the Airport (including without limitation, death or injury to any person) due in whole or in part to the negligent acts (active or passive) by Licensee or to the willful actions or omissions by Licensee, Licensee's officers, employees, or, while acting on behalf of Licensee, Licensee's subcontractors, sub-licensees and/or agents. Licensee's obligations to indemnify and hold harmless set forth above shall not apply to any such claim, loss, obligation or liability which is due to the sole active negligence or willful misconduct of County and/or its employees, officers or agents. All of Licensee's obligations under this Section are intended to apply to the fullest extent permitted by law and shall survive the expiration or sooner termination of this License and continue so long as a viable claim exists. In an action or claim against County in which Licensee is defending County, Licensee shall consult with County prior to selecting legal counsel to provide County's defense.

13. Insurance

Licensee, at its sole cost and expense and for the full term of this License or any renewal thereof, shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from, or are in connection with, the activities of Licensee (including its subcontractors, agents, representatives and employees) hereunder meeting at least all of the minimum insurance requirements set forth in the General Aviation Minimum Standards (as may be updated from time to time), published on the Airport's website, and incorporated into this License by reference.

a. Failure to Provide

In the event Licensee fails to procure or maintain any insurance required under this License: (a) County shall have the right, but not the obligation after providing at least ten (10) days prior written notice to Licensee, without limiting or waiving any other rights or remedies it may have at law or in equity, to procure such insurance and at County's sole option charge Licensee for the cost of maintaining and procuring such insurance or to offset the cost thereof against any amount that may be due or subsequently become due to Licensee; and (b) in the event a loss occurs which would have been covered by the insurance required by this License had such insurance been maintained, Licensee shall pay all amounts that would have been paid by such coverage, minus such amounts actually received by County under a policy procured by County pursuant to this Section 13.

b. Certificates of Coverage.

All insurance coverages referenced above, shall be evidenced by one or more certificates of coverage or, with the consent of County's Risk Manager, demonstrated by other evidence of coverage acceptable to County's Risk Manager, which shall be filed by Licensee with the Director of Public Works prior to commencement of Licensee's access to the property under the terms of this License.

c. Inclusion in Subcontracts.

Licensee agrees to require all subcontractors and any other entity or person who will otherwise access the License Area under this License to comply with the Workers Compensation and General Liability insurance requirements set forth in this Section.

14. Common Areas.

County manages all areas outside the Demised Premises for its own use, which may include user groups, County meetings and functions, and the general public. Licensee is provided access through common areas to their Demised Premises along with access to public restrooms. Licensee shall not use the common areas for business purposes without the express written consent of the Airport Manager.

15. Alterations and Modifications.

Licensee shall not alter or modify the Demised Premises without prior written consent of the County, which consent shall not be unreasonably withheld, conditioned, or delayed; provided however, that County's consent may be conditioned upon Licensee's agreement to remove any alterations or modifications made to the Demised Premises upon termination or expiration of this Lease. County may require lien releases in connection with any permitted work by Licensee on the Demised Premises.

16. Signs.

In connection with its permitted activities, Licensee shall install only those on- and off- premises signs permitted with prior written consent of the Airport Manager.

17. No Waiver.

The waiver by either party of any breach of violation of any requirement of this License shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this License.

18. No Assignment.

(a) In General. Licensee shall not assign any interest in this License to any other person, corporation, partnership, or organization without the prior written consent of County, in its sole discretion. In the event of such an authorized assignment, the terms and conditions of this License shall be binding upon the heirs, successors, and assigns, whether voluntary or involuntary, of Licensee. For purposes of this subparagraph the consent of County may be given by the Airport Manager. At the time of this License, Smith Aviation is pre-approved for a sublicense to the space for commercial flight instruction and training.

(b) Effect of Change in Status. If Licensee changes its status during the term of this License from or to that of a corporation, limited liability partnership, limited liability company, general partnership, or sole proprietorship, such change in organizational status shall be viewed as an attempted assignment of this License by Licensee. Failure of Licensee to obtain approval of such assignment under this Paragraph shall be viewed as a material breach of this License.

19. Compliance with Laws.

Licensee shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes. Such laws shall include, but not be limited to, the following, except where prohibited by law:

(a) Applicable Federal Law. In addition to compliance with the Rules and Regulations for the Napa County Airport found in Chapter 11.28 of the Napa County Code,

Licensee hereby expressly agrees that in the conduct of any activities authorized under this License, Licensee shall also abide by all applicable rules and regulations of the Federal Aviation Administration (FAA).

(b) Non-Discrimination. During the performance of this License, Licensee and its subcontractors shall not deny the benefits thereof to any person on the basis of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), nor shall they discriminate unlawfully against any employee or applicant for employment because of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), or use of family care leave. Licensee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, Licensee shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7284.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time.

(c) Documentation of Right to Work. Licensee agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all newly hired employees of Licensee performing any services under this License have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. Licensee shall make the required documentation available upon request to County for inspection.

(d) Licensee shall comply with all laws regarding hazardous substances and wastes relative to Licensee's occupancy and use of the License Area. Hazardous substances and wastes, except motor vehicle fuel, oil, and lubricants as specified by the automobile's manufacturer and incidental to the normal operation of the automobile, shall not be stored in the automobile while it is parked at the airport.

20. Possessory Interest and Taxes.

County shall report space allocation and usage to appropriate taxing authorities. The parties specifically acknowledge and agree that this License may create a possessory interest arising out of the activities permitted herein and that Licensee shall be solely responsible for the payment of any taxes or assessments (including property taxes) which might be imposed on such possessory interest.

21. Notices.

All notices required or authorized by this License shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval, or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address.

Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

If to County, the same shall be addressed to each of the following:

Airport Manager
Napa County Airport
2030 Airport Road
Napa, CA 94558
or to such other places as County may designate in writing.

If to Licensee, the same shall be addressed to:

Napa Jet Center, Inc. dba Atlantic Aviation
2100 Airport Road
Napa, CA 94558
Attn: General Manager

with a copy to:
Napa Jet Center, Inc. dba Atlantic Aviation
5201 Tennyson Parkway, Suite 150
Plano, TX 75024
Attn: General Counsel

22. Employees/Agents of Licensee.

Licensee and the officers, agents and employees of Licensee are not, and shall not be deemed, employees of County for any purpose, including workers' compensation and employee benefits.

23. Attorney's Fees.

In the event that either party commences legal action of any kind or character to either enforce the provisions of this License or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

24. Interpretation/Venue.

(a) Interpretation. The headings used herein are for reference only. The terms of the License are set out in the text under the headings. This License shall be governed by the laws of the State of California without regard to the choice of law or conflicts.

(b) Venue. This License is made in Napa County, California. The venue for any legal action in state court filed by either party to this License for the purpose of interpreting or enforcing any provision of this License shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party to this License for the purpose of interpreting or enforcing any provision of this License lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this License shall be Napa

County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this License.

25. Amendment/Modification.

Except as specifically provided herein, this License may be modified or amended only in writing and with the prior written consent of both parties.

26. Severability.

If any provision of this License, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this License.

27. Authority to Contract.

Licensee and County each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this License.

28. Third Party Beneficiaries.

Nothing contained in this License shall be construed to create any rights in third parties and the parties do not intend to create such rights.

29. Entirety of Contract

This License constitutes the entire agreement between the parties relating to the subject of this License and supersedes all previous agreements, promises, representations, understandings, and negotiations, whether written or oral, among the parties with respect to the subject matter hereof.

30. Counterparts.

This License may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. The parties acknowledge and agree that this Lease may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

31. Recitals.

The Recitals set forth above are hereby incorporated into and made part of this License.

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IN WITNESS WHEREOF, this License was executed by the parties hereto as of the date first above written.

Napa Jet Center, Inc. DBA Atlantic Aviation, a California corporation

By DocuSigned by:
Lou Pepper
Louis T. Pepper, President and CEO 1/13/2023

“LICENSEE”

NAPA COUNTY, a political subdivision of the State of California

By BELIA RAMOS, Chair

“COUNTY”

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>Wendy M. Dau</u> Deputy County Counsel</p> <p>Date: <u>Dec. 30, 2022</u></p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: _____</p> <p>Processed By: _____</p> <p>Deputy Clerk of the Board</p>	<p>ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors</p> <p>By: _____</p>
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EXHIBIT "A"

Exhibit "A"

Area # 1

Page 1

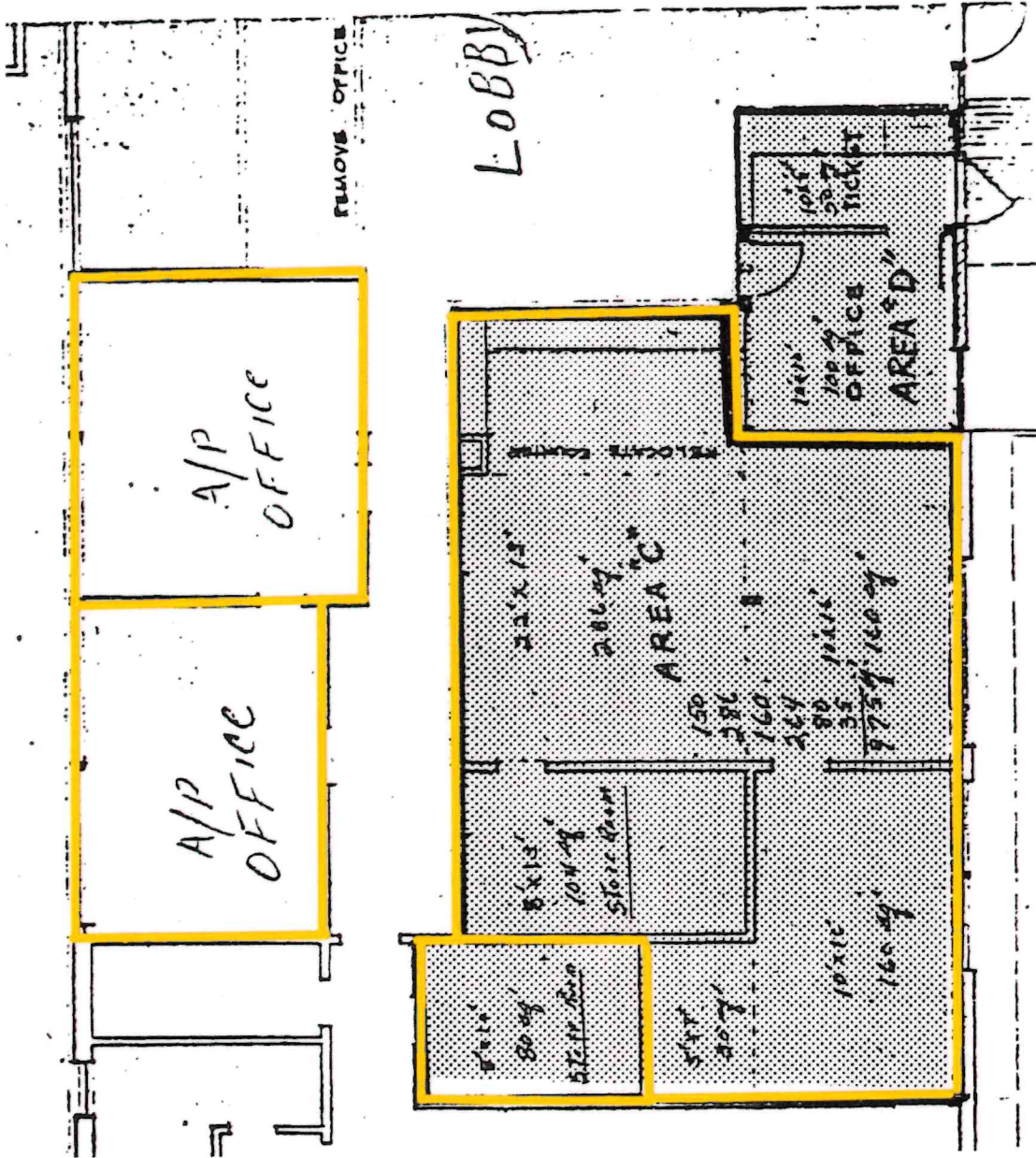


EXHIBIT "B"

