



**AIRPORT COMMISSION AGENDA
REGULAR MEETING
City Council Chamber
421 Main Street
Chico, CA 95928
July 25, 2023
6:00 p.m.**

**COPIES OF THIS AGENDA
ARE AVAILABLE FOR
REVIEW IN THE:**

Airport Manager's Office
150 Airpark Blvd., Suite 110
Chico, CA 95973
(530) 896-7216

Agenda available online at:
www.chico.ca.us

AIRPORT COMMISSION

Martin Nichols, Chair
Mike Antolock
Marc Breckenridge
Roger Effremsky
Raul Hernandez

PUBLIC PARTICIPATION:

PUBLIC PARTICIPATION: This meeting is being conducted in accordance with Executive Order N-29-20. The public may view the meeting on Comcast Channel 11.

Due to the COVID-19 pandemic, the public shall have an opportunity to address the Airport Commission by email, on any item described in the agenda before or during consideration of that item. (Government Code § 54954.3(a)). The Airport Commission is prohibited by law from considering any other business at this meeting.

Public comment will also be accepted by email with the subject line PUBLIC COMMENT ITEM _____, sent to airportpubliccomments@chicoca.gov before the meeting. The public is encouraged not to send more than one email per item and not to comment on numerous items in one email.

1. **REGULAR AIRPORT COMMISSION MEETING**

1.1 **CALL TO ORDER**

1.2 **PLEDGE OF ALLEGIANCE**

1.3 **ROLL CALL**

1.4 **SELECTION OF CHAIR AND VICE CHAIR**

2. **CONSENT AGENDA**

All matters listed under the Consent Agenda are to be considered routine and enacted by one motion.

2.1 **APPROVAL OF AIRPORT COMMISSION REGULAR MEETING MINUTES**

Approve minutes of the Regular Airport Commission meeting on April 25, 2023 (Attachment 1).

- 2.2 **APPROVAL OF AIRPORT COMMISSION SPECIAL MEETING MINUTES**
Approve minutes of the Special Airport Commission meeting on May 23, 2023 (Attachment 2).

3. **ITEMS REMOVED FROM CONSENT AGENDA** (if any)

4. **NOTICE OF PUBLIC HEARINGS** – None

5. **CLOSED SESSION** – None

6. **REGULAR AGENDA**

6.1 **INTERNAL AFFAIRS COMMITTEE ASSIGNMENT**

The Commission is being asked to nominate one (1) Commissioner to serve on the Internal Affairs Committee.

Recommendation: The Airport Manager recommends the Commission nominate one (1) Commissioner to serve on the Internal Affairs Committee.

6.2 **AIR SERVICE DEVELOPMENT COMMITTEE ASSIGNMENT**

The Commission is being asked to nominate two (2) Commissioners to serve on the Air Service Development Committee and attend stakeholder meetings.

Recommendation: The Airport Manager recommends the Commission nominate two (2) Commissioners to represent the Airport Commission on the Air Service Development Committee and attend key stakeholder meetings.

6.3 **CONSIDERATION OF REQUEST TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH BLUE FLAMINGO, INC.**

The Commission will consider a request to execute a Professional Services Agreement (PSA) with Blue Flamingo, Inc. for air service marketing for a term of two (2) years.

Recommendation: The Airport Manager recommends approval of Minute Order 02-23 authorizing the City Manager to execute a Professional Services Agreement (PSA) with Blue Flamingo, Inc. for air service marketing.

6.3.1 **Minute Order 02-23** authorizing the City Manager to execute a PSA with Blue Flamingo, Inc., which includes the draft PSA (Attachment 3).

6.4 **CONSIDERATION OF REQUEST TO EXECUTE AN OPERATING AGREEMENT WITH DAWSON TAYLOR AVIATION SERVICES**

The Commission will consider a request to execute an Operating Agreement with Dawson Taylor Aviation Services for limited aeronautical operating activities at the Chico Regional Airport.

Recommendation: The Airport Manager recommends approval of Minute Order 03-23 authorizing the City Manager to execute an Operating Agreement with Dawson Taylor Aviation Services for limited aeronautical operating activities.

6.4.1 **Minute Order 03-23** authorizing the City Manager to execute an Operating Agreement with Dawson Taylor Aviation Services, which includes the draft Operating Agreement (Attachment 4).

6.5 **CONSIDERATION OF REQUEST TO RENEW LEASE OF REAL PROPERTY FOR HANGAR SPACE E-1**

The Commission will consider a request to renew the Lease of Real Property at 100 Lockheed Avenue. In accordance with AP&P 90-16, the lease renewal needs to be reviewed and approved by the Commission prior to the execution.

Recommendation: The Airport Manager recommends approval of Minute Order 04-23 authorizing the City Manager to execute this Lease of Real Property at the Chico Regional Airport (City of Chico/Chico Air Carriage) located at 100 Lockheed Avenue.

6.5.1 **Minute Order 04-23** authorizing the City Manager to execute a Lease of Real Property at the Chico Regional Airport (City of Chico/Chico Air Carriage), which includes the draft Lease (Attachment 5).

6.6 **AIR SERVICE DEVELOPMENT**

Airport Manager will provide an update on the air service development progression.

7. **BUSINESS FROM THE FLOOR**

Members of the public may address the Commission at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Commission cannot take any action at this meeting on requests made under this section of the agenda.

8. **REPORTS AND COMMUNICATION**

The following reports and communication items are provided for the Commission's information. No action can be taken on the items unless the Commission agrees to include it on a subsequent agenda.

8.1 **AIRPORT MANAGER REPORTS**

➤ General Update

8.2 **AIRPORT COMMISSIONER REPORTS**

Commissioners will report on airport related items that have been addressed by their assigned committee, commission, or association since the April 25, 2023 Airport Commission meeting (if any).

- A. Finance Committee – Nichols
- B. Internal Affairs Committee – Vacant
- C. Butte County Airport Land Use Commission (ALUC) – Tom Bahr
- D. Air Service Development Committee –Antolock

9. **ADJOURNMENT**

Adjourn to a Regular Airport Commission meeting on October 24, 2023 at 6:00 p.m. in the City Council Chambers located at 421 Main Street, Chico, CA.



Please contact the Airport Manager's Office at (530) 896-7216 if you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation to participate in a meeting. This request should be received at least three working days prior to the meeting to accommodate your request.

POSTED: 7/21/2023



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**AIRPORT COMMISSION MINUTES
REGULAR MEETING
City Council Chamber
421 Main Street
Chico, CA 95928
April 25, 2023
6:00 p.m.**

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REVIEW IN THE:**

Airport Manager's Office
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AIRPORT COMMISSION

Martin Nichols, Chair
Linda MacMichael, Vice-Chair
Mike Antolock
Thomas Nolan-Gosling
Marc Breckenridge

1. **REGULAR AIRPORT COMMISSION MEETING**

1.1 **CALL TO ORDER**

Called to order by Chair Nichols at 6:00 p.m.

1.2 **PLEDGE OF ALLEGIANCE**

1.2 **ROLL CALL**

Present: Antolock, Breckenridge, Nolan-Gosling, MacMichael, Nichols.

Absent: None.

2. **CONSENT AGENDA**

All matters listed under the Consent Agenda are to be considered routine and enacted by one motion.

2.1 **APPROVAL OF AIRPORT COMMISSION REGULAR MEETING MINUTES**

Approve minutes of the Regular Airport Commission meeting held on January 31, 2023 (Attachment 1).

A motion was made by Vice Chair MacMichael to approve the January 31, 2023 minutes. The motion was seconded by Commissioner Breckenridge.

Motion carried and passed 5-0 as follows:

AYES: Antolock, Breckenridge, Nolan-Gosling, MacMichael, Nichols.

NOES: None.

3. **ITEMS REMOVED FROM CONSENT AGENDA** (if any)

4. **NOTICE OF PUBLIC HEARINGS** – None.

5. **CLOSED SESSION** – None.

6. **REGULAR AGENDA**

6.1 **CONSIDERATION OF REQUEST TO RENEW LEASE AT THE CHICO AIR MUSEUM**

The Commission considered a request to renew the Lease of Improved Real Property at 165 Ryan Avenue (Attachment 2). In accordance with AP&P 90-16, the lease renewal needs to be reviewed and approved by the Commission prior to the execution.

Recommendation: The Airport Manager recommends approval of Minute Order 01-23 authorizing the City Manager to execute this Lease of Improved Real Property at the Chico Regional Airport (City of Chico/Chico Air Museum) located at 165 Ryan Avenue.

6.1.1 **Minute Order 01-23** authorizing the City Manager to execute a Lease of Real Property at the Chico Regional Airport (City of Chico/Chico Air Museum) located at 165 Ryan Avenue (Attachment 3).

A motion was made by Commissioner Nolan-Gosling to approve Minute Order 01-23 authorizing the City Manager to execute a Lease of Improved Real Property at 165 Ryan Avenue (Chico Air Museum). The motion was seconded by Vice Chair MacMichael.

Motion carried and passed 5-0 as follows:

AYES: Antolock, Breckenridge, Nolan-Gosling, MacMichael, Nichols.

NOES: None.

6.2 **AIR SERVICE DEVELOPMENT**

The Airport Manager provided an update on air service development progression.

7. **BUSINESS FROM THE FLOOR**

Members of the public may address the Commission at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Commission cannot take any action at this meeting on requests made under this section of the agenda.

8. **REPORTS AND COMMUNICATION**

The following reports and communication items were provided for the Commission's information. No action can be taken on the items unless the Commission agrees to include it on a subsequent agenda.

8.1 **PUBLIC WORKS DIRECTOR REPORTS**

- Airport Commissioner Recruitment Update
- Measure H and Airpark Blvd Schedule
- Cohasset Road Project Update

8.2 **AIRPORT MANAGER REPORTS**

- FAA Inspection Update
- Lease Update – Hangar C-3
- Upcoming Airport Projects
- New Helicopter/Mechanic Flight School
- Airport Entrance Sign

8.3 **AIRPORT COMMISSIONER REPORTS**

Commissioners reported on airport related items that have been addressed by their assigned committee, commission, or association since the January 31, 2023 Airport Commission meeting (if any).

- A. Finance Committee – Nichols
- B. Internal Affairs Committee – Nolan-Gosling
- C. Butte County Airport Land Use Commission (ALUC) – Tom Bahr
- D. Air Service Development Committee – MacMichael, Antolock

9. **ADJOURNMENT**

The meeting adjourned at 7:09 p.m. to a Special Airport Commission meeting on May 23, 2023 at 4:00 p.m. in the City Council Chambers located at 421 Main Street, Chico, CA.



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**AIRPORT COMMISSION MINUTES
SPECIAL MEETING
City Council Chamber
421 Main Street
Chico, CA 95928
May 23, 2023
4:00 p.m.**

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AIRPORT COMMISSION

Martin Nichols, Chair
Linda MacMichael, Vice-Chair
Mike Antolock
Thomas Nolan-Gosling
Marc Breckenridge

1. **SPECIAL AIRPORT COMMISSION MEETING**

1.1 **CALL TO ORDER**

Called to order by Vice Chair MacMichael at 4:06 p.m.

1.2 **PLEDGE OF ALLEGIANCE**

1.3 **ROLL CALL**

Present: Breckenridge, Antolock, Nolan-Gosling, MacMichael

Absent: None

Excused: Nichols

1.4 **RECOGNITION OF OUTGOING AIRPORT COMMISSIONERS**

1.5 **SWEARING IN OF AIRPORT COMMISSIONERS**

- Mike Antolock
- Roger Efremsky
- Raul Hernandez

1.7 **ROLL CALL**

Present: Breckenridge, Antolock, Hernandez, Efremsky

Absent: None

Excused: Nichols

1.6 **SELECTION OF CHAIR AND VICE CHAIR**

Due to Chair Nichols excused absence, Commissioner Breckenridge made a motion to nominate an Interim Chair to continue this meeting, but postpone nominations for Chair, Vice Chair, and Committee Assignments until the July meeting. This motion was seconded by Commissioner Efremsky.

Motion carried and passed 4-0-1 as follows:

AYES: Breckenridge, Antolock, Hernandez, Efremsky.

NOES: None.

EXCUSED: Nichols.

Commissioner Breckenridge then nominated Commissioner Antolock as Interim Chair to continue the meeting. This motion was seconded by Commissioner Efremsky.

Motion carried and passed 4-0-1 as follows:

AYES: Breckenridge, Antolock, Hernandez, Efremsky.

NOES: None.

EXCUSED: Nichols.

2. **NOTICE OF PUBLIC HEARINGS** – None.

3. **CLOSED SESSION** – None.

4. **SPECIAL AGENDA** -

4.1 **INTERNAL AFFAIRS COMMITTEE ASSIGNMENT**

The Commission is being asked to nominate one (1) Commissioner to serve on the Internal Affairs Committee.

Recommendation: The Airport Manager recommends the Commission nominate one (1) Commissioner to serve on the Internal Affairs Committee.

This item was postponed until the July meeting.

4.2 **AIR SERVICE DEVELOPMENT COMMITTEE ASSIGNMENT**

The Commission is being asked to nominate two (2) Commissioners to serve on the Air Service Development Committee and attend stakeholder meetings.

Recommendation: The Airport Manager recommends the Commission nominate two (2) Commissioners to represent the Airport Commission on the Air Service Development Committee and attend key stakeholder meetings.

This item was postponed until the July meeting.

ATTACHMENT 2

Due to a scheduled Air Service Development Committee meeting being held on May 25, 2023, Commissioner Breckenridge made a motion for Commissioner Antolock to continue his service on the Air Service Development Committee until new nominations are held at the July 25, 2023 Airport Commission meeting. This motion was seconded by Commissioner Efremsky.

Motion carried and passed 4-0-1 as follows:

AYES: Breckenridge, Antolock, Hernandez, Efremsky.

NOES: None.

EXCUSED: Nichols.

5. **REPORTS AND COMMUNICATION**

The following reports and communication items were provided for the Commission's information. No action can be taken on the items unless the Commission agrees to include it on a subsequent agenda.

5.1 **PUBLIC WORKS DIRECTOR REPORTS**

- General Update

5.2 **AIRPORT MANAGER REPORTS**

- Air Service Development Update
- Upcoming Airport Projects
- Grant Applications/Opportunities

6. **ADJOURNMENT**

The meeting adjourned at 4:52 p.m. to a Regular Airport Commission meeting on July 25, 2023 at 6:00 p.m. in the City Council Chambers located at 421 Main Street, Chico, CA.



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ATTACHMENT 3

CITY OF CHICO
AIRPORT COMMISSION MINUTE ORDER NO. 02-23

SUBJECT: AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT AT THE CHICO REGIONAL AIRPORT (CITY OF CHICO/BLUE FLAMINGO INC.).

EXPLANATION PROVIDED BY: Airport Manager

Initials (TB)

1. In October 2021 the City of Chico entered an agreement for air service marketing with Aviatrix Communications. Then in April 2023, the City of Chico discontinued the use of its agreement with Aviatrix. With this, the City has a need for a new air service marketing consultant. In addition to the proposal received from Aviatrix in response to the RFP for an Air Service Marketing Consultant, the City receiving proposals from multiple other candidates. After reviewing these past proposals, the City determined it unnecessary for a new RFP.
2. Upon review of these previous proposals, Blue Flamingo Inc. met all expectations and requirements for the desired services and has been selected to provide these marketing services.
3. Blue Flamingo Inc. is to be contracted as "Marketing Consultant" for the Project "Chico Regional Airport Air Service Development" with the Budget Account Number "856-691-5400" in the amount not to exceed \$50,000 over a two-year term.

RECOMMENDATION: Airport Manager

Initials (TB)

It is recommended that the Airport Commission approve this Minute Order and authorize the City Manager to execute this Professional Services Agreement at the Chico Regional Airport (City of Chico/Blue Flamingo Inc.).

AIRPORT MANAGER:

Initials (TB)

AIRPORT COMMISSION (MEETING OF 07/25/23)

I hereby certify that the Airport Commission took the following action on this Minute Order:

Approved Other (explain below)

Tom Bahr, Airport Manager

CERTIFICATION

I hereby certify that the above is a true and correct copy of the original Minute Order on file in the office of the Airport Manager.

Tom Bahr, Airport Manager

DISTRIBUTION

Preliminary:

Final:

CITY OF CHICO - PROFESSIONAL SERVICES AGREEMENT

Blue Flamingo, Inc.
Consultant

Chico Regional Airport Air Service Marketing
Project Title

856-691-5400
Budget Account Number

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THIS PROFESSIONAL SERVICES AGREEMENT (Agreement) is entered into on _____, 2023 between the City of Chico, a municipal corporation under the laws of the State of California, (City) and Blue Flamingo, Inc., a State of California Corporation (Consultant).

SECTION 1 - DESCRIPTION OF PROJECT

City desires to undertake that certain project (Project) described in EXHIBIT A, entitled “DESCRIPTION OF PROJECT,” and to engage Consultant to provide the required professional services relating to the Project.

SECTION 2 - SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE

Consultant shall perform those basic professional services in connection with the Project as are set forth more particularly in EXHIBIT B, entitled “SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE,” and shall complete said professional services in accordance with the completion schedule for professional services as incorporated in EXHIBIT B.

SECTION 3 - SCOPE OF PROFESSIONAL SERVICES - ADDITIONAL; COMPLETION SCHEDULE

City and Consultant agree that it may be necessary, in connection with the Project, for Consultant to perform or secure the performance of professional services other than those set forth in EXHIBIT B. In each such instance, Consultant shall advise City, in advance and in writing, of the need for such additional professional services, their cost and the estimated time, if

appropriate, required to perform them. Consultant shall not proceed to perform any such required additional professional service until City has determined that such professional service is beyond the scope of the basic professional service to be provided, is required, and has given its written authorization to perform or obtain it. Each additional professional service so authorized shall constitute an amendment to this Agreement, shall be identified and sequentially numbered as “Amendment No. 1” and so forth, shall be subject to all of the provisions of this Agreement, and shall be incorporated into EXHIBIT B accordingly.

SECTION 4 - COMPENSATION

Consultant shall be compensated for professional services rendered to City pursuant to this Agreement periodically in the amounts, manner and in accordance with the payment schedule as set forth in EXHIBIT C, entitled “COMPENSATION.” Amounts due to Consultant from City for professional service rendered shall be evidenced by the submission to City by Consultant of an invoice, prepared in a form satisfactory to City, setting forth the amount of compensation due for the period covered by it. Each such invoice shall be forwarded to City so as to reach it on or before the 15th day of the month next following the month or months, or other applicable period, for which the professional service invoiced were provided. All such invoices shall be in full accord with any and all applicable provisions of this Agreement. City will make payment on each such invoice within 30 days of receipt of it. However, if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, then City shall not be obligated to process any payment to Consultant until a correct and complying invoice has been submitted.

SECTION 5 - RESPONSIBILITY OF CONSULTANT

By executing this Agreement, Consultant warrants to City that Consultant possesses, or will arrange to secure from others, all of the necessary professional capabilities, experience, resources and facilities necessary to provide to City the professional services under this Agreement. In procuring the professional services of others to assist Consultant in performing the professional services set forth at EXHIBIT B or additional professional services under SECTION 3 of this Agreement, Consultant shall not employ or otherwise obtain the professional services of any person or entity known to Consultant or City to have, or be likely to develop during the term of this Agreement, an interest that is personally, or professionally, or financially adverse to any interest of City. Consultant will follow the best current, generally accepted professional practices in performing tests and procedures, making findings, rendering opinions, preparing factual presentations and providing professional advice and recommendations regarding professional services rendered under this Agreement.

SECTION 6 - RESPONSIBILITY OF CITY

To the extent appropriate to the Project contemplated by this Agreement, City shall:

6.1 Assist Consultant by placing at Consultant’s disposal all available information pertinent to the Project, including previous reports and any other data relative to design and construction of the Project.

6.2 Guarantee access to and make all provisions for Consultant to enter upon public and private property as required for Consultant to perform Consultant's professional services.

6.3 Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents prepared and presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the progress of the services by Consultant.

6.4 Designate in writing a person to act as City's representative with respect to the services to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements and systems pertinent to Consultant's professional services.

6.5 Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in the Project.

6.6 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

SECTION 7 - INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with Consultant's use of City premises under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Consultant shall reimburse City and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Consultant/Subconsultant/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City, its directors, officials, officers, employees, agents, or volunteers.

Notwithstanding the above, Consultant's obligation to indemnify, defend and hold harmless the City, its officers, employees and agents for claims involving "Professional Liability" (claims involving acts, errors or omissions in the rendering of professional services) shall be limited to the extent caused by Consultant's negligent acts, errors or omissions.

SECTION 8 - INSURANCE

Any requirements by City that Consultant carry general liability, errors and omissions, or any other type of insurance in connection with the services to be performed and/or professional services to be rendered by Consultant pursuant to this Agreement shall be as set forth in EXHIBIT D, entitled "INSURANCE PROVISIONS."

SECTION 9 - GENERAL PROVISIONS

9.1 Access to Records

Consultant shall maintain all books, records, documents, accounting ledgers, and similar materials relating to services performed for City under this Agreement on file for at least four years following the date of final payment to Consultant by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit and copying at reasonable times, during Consultant's usual and customary business hours. Consultant shall provide proper facilities to City's representative(s) for access and inspection. Consultant shall be entitled to reasonable compensation for time and expenses related to such access and inspection activities, which shall be considered to be an additional professional service to City, falling under the provisions of SECTION 3 of this Agreement.

9.2 Assignment

This Agreement is binding on the heirs, successors, and assigns of the parties hereto and shall not be assigned by either City or Consultant without the prior written consent of the other.

9.3 Changes to Scope of Services - Basic Professional Services

City may at any time, upon a minimum of 10 days written notice, modify the scope of basic professional services to be provided under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Consultant as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

9.4 Compliance with Laws, Rules, Regulations

All professional services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable Federal, State, or City statutes, and any rules or regulations promulgated thereunder.

9.5 Conflict of Interest Code Applicability

If City's City Manager has determined that one or several of Consultant's Principal(s) or

Project Manager(s) are subject to the provisions of Section 2R.04.180 of the Chico Municipal Code (the City's Conflict of Interest Code), then each such person will be required to comply with the provisions of said Code in connection with the professional services they render to the City under this Agreement. In such event, City's requirements are set forth in EXHIBIT E, entitled "CONFLICT OF INTEREST PROVISIONS," to this Agreement.

9.6 Exhibits Incorporated

All Exhibits attached to and referred to in this Agreement are hereby incorporated by this reference.

9.7 Independent Contractor

City and Consultant agree that the relationship between them created by this Agreement is that of an employer-independent contractor. Consultant shall be solely responsible for the conduct and control of the services performed under this Agreement. Consultant shall be free to render professional consulting services to others during the term of this Agreement, so long as such activities do not interfere with or diminish Consultant's ability to fulfill the obligations established herein to City.

9.8 Integration; Amendment

This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in it. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

9.9 Jurisdiction

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in that state. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

9.10 Notice to Proceed; Progress; Completion

Upon execution of this Agreement by the parties, City shall give Consultant written notice to proceed with the services. Such notice may authorize Consultant to render all of the professional services contemplated herein, or such portions or phases as may be mutually agreed upon. In the latter event, City shall, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the services. Upon receipt of such notices, Consultant shall diligently proceed with the services authorized and complete it within the agreed time period.

9.11 Ownership of Documents

Title to all documents, designs, drawings, specifications, and the like with respect to services performed under this Agreement shall vest with City at such time as City has

compensated Consultant, as provided herein, for the professional services rendered by Consultant in connection with which they were prepared. However, Consultant reserves the right to use the project materials for business development purposes.

9.12 Subcontracts

Consultant shall be entitled, to the extent determined appropriate by Consultant, to subcontract any portion of the services to be performed under this Agreement. Consultant shall be responsible to City for the actions of persons and firms performing subcontract services. The subcontracting of services by Consultant shall not relieve Consultant, in any manner, of the obligations and requirements imposed upon Consultant by this Agreement.

9.13 Term; Termination

The term of this Agreement shall commence upon City's issuance to Consultant of a notice to proceed for all or a portion of the services, as hereinabove provided, and shall end upon City's acceptance and payment for all or such portion of the services as was authorized by such notice, including any and all retentions. Notwithstanding the foregoing, City may, in its sole discretion, terminate this Agreement at any time and for any reason whatsoever by giving at least 10 days prior written notice of such termination to Consultant. In this latter event, Consultant shall be entitled to compensation for all professional service rendered and services performed for City to the date of such termination.

9.14 Notice

Any notices required to be given pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service or, alternatively, by personal delivery or overnight courier service addressed to the parties as follows:

To City: Tom Bahr, Airport Manager
City of Chico
150 Airpark Blvd.
Chico, CA 95973

To Consultant: Lindsay Steinberg
Blue Flamingo Marketing
Chico, CA

SECTION 10 - SPECIAL PROVISIONS

This Agreement shall include all special provisions, if any, as set forth in EXHIBIT F, entitled "SPECIAL PROVISIONS."

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date first set forth above.

CITY:

CONSULTANT:

Mark Sorensen, City Manager*

By: Lindsay Steinberg, Vice President
Blue Flamingo, Inc.

*Authorized pursuant to Section 3.08.060
of the Chico Municipal Code

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Vincent C. Ewing, City Attorney*

Erik Gustafson, Public Works Director, O&M

*Pursuant to The Charter of the
City of Chico, Section 906(D)

REVIEWED AS TO CONTENT:

Barbara Martin, Administrative Services Director*

*Reviewed by Finance and Information Systems

EXHIBIT A

DESCRIPTION OF PROJECT

Consultant shall provide professional services to aid in the process of an air service development and marketing program to help secure new commercial air service at the Chico Regional Airport (CIC) located at 150 Airpark Blvd in Chico CA.

DRAFT

EXHIBIT B

SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE

Scope of Professional Services - Basic

The Consultant shall provide professional services as follows:

TASK 1: PROGRAM PLAN DEVELOPMENT AND SUPPORT

1. Aid in the development and implementation of a community outreach plan that includes project goals and objectives, target audiences, probable timelines, and the strategies and tactics required to achieve the goals.
2. Aid with and facilitate presentations at the Chico Regional Airport (CIC) or elsewhere in the City of Chico targeted to reach those most likely to support Client's efforts to raise Minimum Revenue Guarantee funds, this plan details extensive long-term efforts to educate key stakeholders and raise money to entice airline service.
3. Coordinate outreach efforts to align with other project timelines and stakeholders.
4. Provide additional outreach efforts and products as requested.

TASK 2: CAMPAIGN AND MARKETING

1. Provide strategic guidance, media buys, campaign brand management, and reporting.
2. Develop a cohesive project-wide look and feel that unifies the outreach tactics, including establishing color palettes, fonts, and icons.
3. Craft key messages that help the Client share its program's progress in a meaningful way while also establishing clear positions on topics such as the airport's existing contributions to the region.
4. Partner Toolkit - Provide program brand materials, key messages, guidelines, case studies or other material for third-party use.
5. Meeting Materials - Provide meeting materials including agendas, advertisements, handouts, display boards, and necessary visual aids.
6. Project Copy – press releases, newsletter articles, website copy, and social media posts.
7. Project Graphics - creative strategy and design for ads, brochures and digital media.

8. Project website design and manage a comprehensive website that provides all project documents, meeting details, and solicits comments and contact information. Site will be ADA compliant and responsive on any device or browser.

TASK 3 OTHER AIR SERVICE MARKETING SUPPORT

Upon request by the City, provide additional support for other marketing and air service development initiatives.

Services to be Provided by City

If requested, the City shall provide the Consultant access to all available and relevant information needed to perform the Tasks listed herein

Completion Schedule

The Consultant shall complete the services outlined herein by July 31, 2025.

EXHIBIT C

COMPENSATION

Compensation for the services outlined herein shall be in accordance with the following hourly rates and the total maximum compensation shall not exceed **\$50,000.00**:

Blue Flamingo Hourly Rates:

- i. Strategy, action plans, research: \$140.00/hour
- ii. Project/Media Management: \$125.00/hour
- iii. Creative Services (content/graphics/digital): \$135.00/hour
- iv. Social Media, Event Coordination: \$85.00/hour

Compensation shall be based upon actual invoices received and shall be paid on an hourly basis. The compensation shall include all travel, administrative support, document preparation, and all other costs incurred by Consultant associated with performing each task. Invoices shall identify persons performing the work by name and title.

EXHIBIT D

INSURANCE PROVISIONS

General Liability Insurance

Consultant shall obtain commercial general liability insurance (occurrence policy form) from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of “B” or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an “A” rating, which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, with a maximum policy deductible of \$5,000, or as approved by the City’s Human Resources and Risk Management Office.

It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specific minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured, whichever is greater.

The insurance coverage required herein shall be evidenced by a certificate of insurance with policy endorsements and shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

Consultant acknowledges and agrees that City of Chico, its officers, boards and commissions, and members thereof, its employees and agents, are covered as additional insureds with respect to any liability arising out of the activities of Consultant as the named insured. Such additional insured status shall be evidenced by a policy endorsement executed by an authorized official of the insurer(s). A blanket endorsement which provides additional insured status to any person or organization with whom Consultant, as named insured, has entered into a written contract, such as this Agreement, shall satisfy this requirement.

The insurance coverage required herein shall be primary and non-contributory insurance with respect to the City of Chico, its officers, officials and employees. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by the insurance coverage required herein and shall not contribute to any loss. Such primary insurance status shall be evidenced by a policy endorsement issued by an authorized official of the insurer(s), and shall be at least as broad as CG 20 01 04 13. In the alternative, a letter issued by an authorized official of the insurer(s) and copies of the pertinent page(s) of the policy shall satisfy this requirement.

The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess Insurance. Any umbrella or excess Insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City of Chico (if agreed to in a written contract or agreement) before City of Chico's self-insurance shall be called upon to protect it as a named insured.

All self-insured retentions (SIR) must be disclosed to the City's Human Resources and Risk Management Office for approval and shall not reduce the limits of liability. Policies containing any (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or City of Chico. City of Chico reserves the right to obtain a full certified copy of any Insurance policy or endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Automobile Liability Insurance

Consultant shall obtain automobile liability insurance from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better which provides coverage for bodily injury, personal injury, and property damage liability in the amount of at least \$500,000 combined single limit for each occurrence. Evidence of such coverage shall be maintained by Consultant and provided to City upon request.

Subconsultant Insurance

Consultant agrees to include with all subconsultant in their subcontract the same requirements and provisions of this agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the subconsultant work. Subconsultant agrees to be bound to Consultant and City of Chico in the same manner and to the same extent as Consultant is bound to City of Chico under the agreement. Subconsultant further agrees to include the same requirements and provisions of this agreement, including the indemnity and Insurance requirements, with any Sub-subconsultant/Sub-subcontractor to the extent they apply to the scope of the Sub-subconsultant/Sub-subcontractor's work.

A copy of the City of Chico Insurance Provisions will be furnished to the subconsultant upon request. Evidence of such coverage shall be maintained by Consultant and provided to City upon request.

Workers' Compensation Insurance

Consultant shall, at Consultant's expense, purchase and maintain in full force and effect workers' compensation insurance as required by Federal and State of California law. Consultant shall also require all of Consultant's subconsultant to maintain this insurance coverage. Proof of workers' compensation insurance or other documentation acceptable to City evidencing such insurance coverage shall be provided by Consultant or Consultant's subconsultant to City upon request.

Subrogation

Consultant shall agree to waive all rights of subrogation against City for losses arising from Services performed by the Consultant or Consultant's subconsultant for City under this Agreement.

Indemnity

Consultant's responsibility for such defense and indemnity obligations shall survive the termination or completion of this agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this agreement.

Professional Liability Insurance

Consultant shall obtain professional liability (errors and omissions) insurance, with a minimum \$500,000 limit, from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better providing coverage for services rendered to City under this Agreement.

Said insurance coverage shall be evidenced by a certificate of insurance which shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

EXHIBIT E

CONFLICT OF INTEREST PROVISIONS

NONE

DRAFT

ATTACHMENT 4

CITY OF CHICO
AIRPORT COMMISSION MINUTE ORDER NO. 03-23

SUBJECT: AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE AN OPERATING AGREEMENT AT THE CHICO REGIONAL AIRPORT (CITY OF CHICO/DAWSON TAYLOR AVIATION SERVICES).

EXPLANATION PROVIDED BY: Airport Manager

Initials (TB)

1. In May 2023, Dawson Taylor Aviation Services notified the City they want to pursue an operating agreement at Chico Regional Airport.
2. Dawson Taylor Aviation Services currently subleases space at the 100 Lockheed Avenue premises from Spelts Wealth Management, LLC.
3. Dawson Taylor Aviation Services will conduct on the premises aeronautical operator activities limited to "Helicopter Flight Training" and "Aircraft Maintenance Services" for the duration of the operating agreement.
4. Their annual operation fee will be established at \$40.00 monthly for their first year, elevate by 25% their second year, and adjust each year thereafter according to the annual CPI.

RECOMMENDATION: Airport Manager

Initials (TB)

It is recommended that the Airport Commission approve this Minute Order and authorize the City Manager to execute this Operating Agreement at the Chico Regional Airport (City of Chico/Dawson Taylor Aviation Services).

AIRPORT MANAGER:

Initials (TB)

AIRPORT COMMISSION (MEETING OF 07/25/23)

I hereby certify that the Airport Commission took the following action on this Minute Order:

Approved Other (explain below)

Tom Bahr, Airport Manager

CERTIFICATION

I hereby certify that the above is a true and correct copy of the original Minute Order on file in the office of the Airport Manager.

Tom Bahr, Airport Manager

DISTRIBUTION

Preliminary:

Final:

ATTACHMENT 4

OPERATING AGREEMENT
CHICO REGIONAL AIRPORT
(City of Chico/ Dawson Taylor Aviation Services)

THIS AGREEMENT, is made on _____, between the City of Chico, a municipal corporation of the State of California, acting by and through its duly empowered Airport Commission (“City”), and Dawson Taylor Enterprises, LLC DBA Dawson Taylor Aviation Services (“Operator”).

1. DESCRIPTION OF PREMISES

City hereby grants to Operator permission to enter upon, occupy, and use the premises located at the Chico Regional Airport for the purpose and subject to the terms and conditions set forth herein.

2. SCOPE OF USE

The premises, as depicted in Exhibit A, the Operator will be subleasing space from the 100 Lockheed Avenue premises, from Spelts Wealth Management, LLC. Premises may be occupied and used by Operator solely to conduct Aeronautical Operator activities limited to:

- A. Helicopter Flight Training
- B. Aircraft Maintenance Services

In addition, Operator is authorized to tie down Operator’s aircraft at the location depicted in Exhibit A.

3. OPERATION FEE

- a. In consideration for Operator’s occupancy and use of the premises, Operator shall pay to City an annual operation fee in the amount of:

Year 1: \$40.00 Monthly or \$480 per year.

Year 2: \$50.00 Monthly or \$600 per year.

Each subsequent year thereafter adjusted according to the annual CPI.

Such annual operation fee shall be paid to City concurrently with the execution of this Operating Agreement and on or before the commencement of each additional year during which Operator occupies and uses the premises pursuant to this Operating Agreement.

- b. All rents and payments shall be payable at the office of the City Finance Director, 411 Main Street, Chico, California 95928 (P. O. Box 3420, Chico, California 95927-3420).

ATTACHMENT 4

4. PERMISSION NOT EXCLUSIVE

The permission given is not exclusive, and City reserves the right at any time to permit other persons to conduct these above-mentioned Specialty Aeronautical Services.

5. COMPLIANCE WITH LAWS

In exercising the permission given, Operator shall comply with all federal, state, and City statutes, ordinances, and regulations, including, but not limited to, any standards for conducting aeronautical activities at the Chico Regional Airport, now or hereafter adopted.

6. COVENANT AGAINST DISCRIMINATION ON THE GROUNDS OF RACE, COLOR, CREED, NATIONAL ORIGIN, AND SEX

a. Covenant Against Discrimination Required Under Part 21, Title 49, of the Code of Federal Regulations

In its use of the premises, Operator agrees that it will not discriminate against any person on the grounds of race, color, or national origin in any manner prohibited by Part 21, Title 49, of the Code of Federal Regulations. Upon Operator's failure to comply with the foregoing covenant against discrimination, Operator shall be in default of this agreement, and City shall be entitled to terminate this agreement and all of Operator's rights in and to the premises in the manner hereinafter provided by this agreement. Provided that, in the event City determines that Operator is in default of the foregoing covenant against discrimination and serves Operator with notice of such default in the manner hereinafter provided by this agreement, Operator shall have the right to appeal such determination within the time and in the manner provided by Part 21, Title 49, of the Code of Federal Regulations, and Operator shall not be deemed in default of this agreement until the expiration or exhaustion of such right of appeal, notwithstanding anything in this agreement to the contrary. In addition, City, the federal government, or both City and the federal government, shall have the right to judicially enforce the foregoing covenant against discrimination in any court of competent jurisdiction.

Operator further agrees that the foregoing covenant against discrimination shall be included in and made a condition of any sub-agreement of the premises, or any other agreement granting to any person the right to use any of the services or facilities provided by Operator on the premises.

b. Covenant Against Discrimination Required Under Subpart E, Part 152, Title 14, of the Code of Federal Regulations

ATTACHMENT 4

In its use of the premises, Operator agrees that it will not discriminate against any person on the grounds of race, creed, color, national origin, or sex in the manner prohibited by Subpart E, Part 152, Title 14, of the Code of Federal Regulations and, in connection therewith, shall undertake any affirmative action program required by such regulations. Operator shall also require that its subgrantees or subaviation-related activities provide assurances to Operator that they, similarly, will undertake any affirmative action programs required by such regulations and that they, in turn, will require such assurances from their subgrantees and subaviation-related activities. Upon Operator's failure to comply with the foregoing covenant against discrimination, Operator shall be in default of this agreement and City shall be entitled to terminate this agreement and all of Operator's rights in and to the premises in the manner hereinafter provided by this agreement.

7. COVENANT AGAINST ECONOMIC DISCRIMINATION

In its use of the premises, Operator agrees to furnish its services and facilities to all users thereof on a fair, equal, and not unjustly discriminatory basis and for fair, reasonable, and not unjustly discriminatory prices; provided that Operator may make reasonable nondiscriminatory discounts, rebates, or other similar price reductions to all volume users of such services or facilities. Upon Operator's failure to comply with the foregoing covenant against discrimination, Operator shall be in default of this agreement and City shall be entitled to terminate this agreement and any and all of Operator's rights in and to the premises in the manner hereinafter provided by this agreement. In addition, City, the federal government, or both City and the federal government, shall have the right to judicially enforce the foregoing covenant against discrimination in any court of competent jurisdiction.

Operator also agrees that the foregoing covenant against discrimination shall be included in and made a condition of any sub-agreement of the premises, or any other agreement granting to any person the right to use any of the services or facilities provided by Operator on the premises.

8. WASTE, NUISANCE, AND HAZARDOUS MATERIALS

In its use of the premises and any other facilities provided by City at the Chico Regional Airport, Operator shall not commit nor allow to be committed any waste nor maintain or allow to be maintained any nuisance thereon.

As used in this agreement, the term Hazardous Materials shall mean any substance or material which has been determined by the state, federal or local governmental agency to be capable of posing risk of injury to health, safety, and property, including petroleum, petroleum products or by-products, and including but not limited to all those materials and substances designated as hazardous or toxic presently or in the future by the U.S. Environmental Protection Agency; the California Water Quality Control Board; the U.S.

ATTACHMENT 4

Department of Labor; the California Department of Industrial Relations; the California Department of Health Services; the California Health and Welfare Agency in connection with the Safe Water and Toxic Enforcement Act of 1986; the U.S. Department of Transportation; the U.S. Department of Agriculture; the U.S. Consumer Product Safety Commission; the U.S. Department of Health, Education and Welfare; the U.S. Food and Drug Administration, or any other governmental agency now or hereafter authorized to regulate materials and substances defined as AToxic Materials@ in section 66680 through 66685 of Title 22 of the California Code of Regulations, Division 4, Chapter 30, as the same shall be amended from time to time.

No goods, merchandise, or material shall be kept, stored, or sold on the premises which are in any way explosive or hazardous. No offensive or dangerous trade, business, or occupation shall be carried on therein or thereon, and nothing shall be done on the premises other than as is provided for in Paragraph 2 of this agreement which will increase the rate of or suspend the insurance upon the structures hereby assigned to Operator or upon adjacent City buildings or structures, and no machinery or apparatus shall be used or operated on the premises which will in any way injure premises or adjacent buildings without prior approval of the Airport Manager. The Operator shall provide the Airport Manager on the first working day in January of each year with a list of all hazardous materials used, contemplated to be used, generated or otherwise produced by Operator, their employees, agents, contractors, etc. The Airport Manager shall be immediately informed of any changes in hazardous materials used. However, nothing shall preclude Operator from bringing, keeping, or using machinery necessary or customary in carrying out the uses mentioned in Paragraph 2. If such uses include the keeping or storage of flammable or explosive substances, such substances shall be stored in closed containers, and shall be stored, used, or dispensed in the manner prescribed by the regulations of the City, the City's Fire Department, and/or other public body having authority in the matter, and in any event, in the safest possible manner. Appropriate Fire Department permits are required for storage of hazardous materials. From time to time, the Airport Manager and/or Fire Department personnel will inspect the premises for material safety.

In conducting its operations on the Chico Regional Airport, Operator shall abide and be bound by all of the following requirements:

- a. Operator shall comply with all federal, state, and local laws, requirements, and policies now or hereinafter in effect relating to Hazardous Materials and environmental conditions on, under or about the Chico Regional Airport including, but not limited to soil, air, and groundwater conditions, and shall not contaminate the Chico Regional Airport or the subsurface with any Hazardous Material.
- b. Operator shall restrict the use of Hazardous Materials on the premises to those kinds of materials that would be normally expected in conducting the activities permitted under this agreement in a safe and prudent manner. Disposal of any

ATTACHMENT 4

Hazardous Materials on the premises is strictly prohibited.

- c. Operator shall be solely and fully responsible for the reporting of accidental Hazardous Material releases to the appropriate public agencies including the Airport Manager, when such releases are caused by or result from Operator's activities on the Chico Regional Airport. Operator shall immediately notify City of any release of Hazardous Materials, whether or not the release is in quantities that would otherwise be reportable to a public agency, if such release did, or has the potential to contaminate soil or enter the City's sanitary or storm drain sewer system.
- d. Operator shall be solely and full responsible and liable in the event Operator causes or permits Hazardous Materials to be released at the Chico Regional Airport, or to enter the City's sewerage or storm drainage system, soil, air, groundwater, or any improvements. Operator shall take all necessary precautions to prevent any Hazardous Materials from entering into the City's sewerage or storm drainage system, soil, air, groundwater or any improvements, or from otherwise being released on the Chico Regional Airport. If at any time a release of Hazardous Materials is discovered on the premises, the Chico Regional Airport, City's sewerage or storm drainage system, soil, air, groundwater or any improvements, which were caused or permitted in whole or in part by Operator, Operator's officers, agents, employees, contractors, permittees or invitees or there is the danger of such release of Hazardous Materials, Operator, at Operator's sole cost and expense, shall remove, or be caused to remove, such Hazardous Materials from the Chico Regional Airport or the groundwater underlying the Chico Regional Airport, or the City's soil, air, storm drainage, and sewerage system, in accordance with requirements of all appropriate governmental authorities.

9. INDEMNIFICATION

To the fullest extent permitted by law, Operator shall defend (with counsel of City's choosing), indemnify and hold City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Operator, its officials, officers, employees, subcontractors, consultants or agents in connection with Operator's use of City premises under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Operator shall reimburse City and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Operator/Suboperator/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period

ATTACHMENT 4

of time allowed by law.

The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement. Operator's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City, its directors, officials, officers, employees, agents, or volunteers.

Notwithstanding the above, Operator's obligation to indemnify, defend and hold harmless the City, its officers, employees and agents for claims involving "Professional Liability" (claims involving acts, errors or omissions in the rendering of professional services) shall be limited to the extent caused by Operator's negligent acts, errors or omissions.

10. GENERAL LIABILITY INSURANCE

Operator shall obtain commercial general liability insurance (occurrence policy form) from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an "A" rating, which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, with a maximum policy deductible of \$5,000, or as approved by the City's Human Resources and Risk Management Office.

It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specific minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured, whichever is greater.

The insurance coverage required herein shall be evidenced by a certificate of insurance with policy endorsements and shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

ATTACHMENT 4

Operator acknowledges and agrees that City of Chico, its officers, boards and commissions, and members thereof, its employees and agents, are covered as additional insureds with respect to any liability arising out of the activities of Operator as the named insured. Such additional insured status shall be evidenced by a policy endorsement executed by an authorized official of the insurer(s). A blanket endorsement which provides additional insured status to any person or organization with whom Operator, as named insured, has entered into a written contract, such as this Agreement, shall satisfy this requirement.

The insurance coverage required herein shall be primary and non-contributory insurance with respect to the City of Chico, its officers, officials and employees. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by the insurance coverage required herein and shall not contribute to any loss. Such primary insurance status shall be evidenced by a policy endorsement issued by an authorized official of the insurer(s), and shall be at least as broad as CG 20 01 04 13. In the alternative, a letter issued by an authorized official of the insurer(s) and copies of the pertinent page(s) of the policy shall satisfy this requirement.

The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess Insurance. Any umbrella or excess Insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City of Chico (if agreed to in a written contract or agreement) before City of Chico's self-insurance shall be called upon to protect it as a named insured.

All self-insured retentions (SIR) must be disclosed to the City's Human Resources and Risk Management Office for approval and shall not reduce the limits of liability. Policies containing any (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or City of Chico. City of Chico reserves the right to obtain a full certified copy of any Insurance policy or endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

The insurance coverage required herein shall be primary insurance with respect to the City of Chico, its officers, officials and employees. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by the insurance coverage required herein and shall not contribute to any loss. Such primary insurance status shall be evidenced by a policy endorsement issued by an authorized official of the insurer(s). In the alternative, a letter issued by an authorized official of the insurer(s) and copies of the pertinent page(s) of the policy shall satisfy this requirement.

Following execution of this agreement, the Risk Manager of City may, based on an increase in the Consumer Price Index or by reason of the number or types of claims

ATTACHMENT 4

which have or might result from Operator's possession and use of the premises or any of the other facilities provided by City at the Chico Regional Airport, require Operator to change the form and/or increase the limits of the general liability insurance coverage required by this section; provided that the Risk Manager of City shall give Operator notice of any such change or increase in the limits of general liability insurance coverage at least 30 days prior to the date that such insurance coverage must be in effect.

11. AUTOMOBILE LIABILITY INSURANCE

Operator shall obtain automobile liability insurance from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better which provides coverage for bodily injury, personal injury, and property damage liability in the amount of at least \$500,000 combined single limit for each occurrence. Evidence of such coverage shall be maintained by Operator and provided to City upon request.

12. SUBOPERATOR INSURANCE

Operator shall require all suboperators, who are performing services for Operator under this Agreement, to obtain and maintain commercial general liability insurance and automobile liability insurance with the same minimum policy limits as set forth above for Operator. Evidence of such coverages shall be maintained by Operator and provided to City upon request.

13. WORKERS' COMPENSATION INSURANCE

Operator shall, at Operator's expense, purchase and maintain in full force and effect workers' compensation insurance as required by Federal and State of California law. Operator shall also require all of Operator's suboperators to maintain this insurance coverage. Proof of workers' compensation insurance or other documentation acceptable to City evidencing such insurance coverage shall be provided by Operator or Operator's suboperators to City upon request.

14. SUBROGATION

Operator shall agree to waive all rights of subrogation against City for losses arising from Services performed by the Operator or Operator's suboperators for City under this Agreement.

15. TERMINATION

Either party may terminate this agreement at any time by giving the other party at least 30 days prior notice of such termination; provided, however, that upon the breach by Operator of any of the terms and conditions of this agreement, City's Airport Manager may terminate this agreement and Operator's right to occupy and use the premises

ATTACHMENT 4

immediately upon giving notice of such termination to Operator.

Upon the termination of this agreement, City shall apportion, on a 365-day basis, the annual license fee paid in advance by Operator and shall refund to Operator the unearned portion thereof.

16. ASSIGNMENT

Neither this agreement nor any of Operator’s rights may be assigned by Operator in whole or in part.

17. NOTICES

All notices or demands to be given, made, or sent, or which may be given, made, or sent by one party to the other pursuant to this agreement shall be deemed to have been given, made, or sent when made in writing, and deposited in the U.S. mail, postage prepaid, addressed as follows:

- a. To City: City of Chico
Attention: Airport Manager
P.O. Box 3420
Chico, CA 95927-3420
- b. To Operator: Dawson Taylor Aviation Services
Attention: Cheyanne Taylor
100 Lockheed Ave.
Chico, CA 95973
(530) 519-3947

The address to which any notice demand, or other writing may be given, made, or sent by any party as above provided may be changed by written notice given by such party as above provided.

IN WITNESS WHEREOF, the parties have executed this agreement on the date first set forth above.

CITY OF CHICO

LESSEE

Mark Sorensen, City Manager

By:

ATTACHMENT 4

Authorized pursuant to the provisions of
Airport Commission Minute Order 03-23
approved on July 25, 2023.

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Vincent C. Ewing, City Attorney*

Tom Bahr, Airport Manager

*Approved pursuant to The Charter of the
City of Chico § 906(D)

APPROVED AS TO CONTENT:

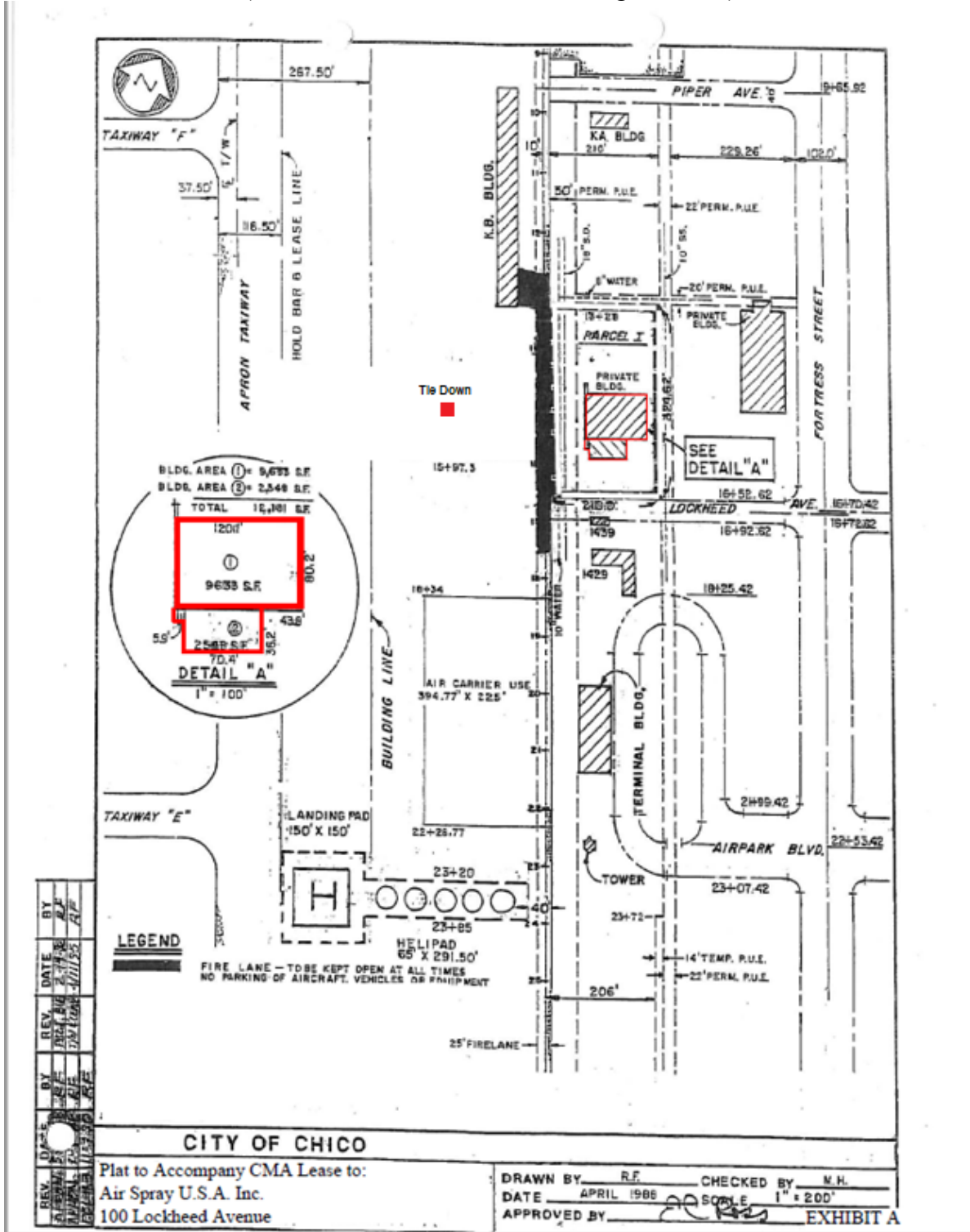
Barbara Martin, Administrative Services Director*

*Reviewed by Finance and Information Systems

ATTACHMENT 4

Exhibit A

(100 Lockheed, and Aircraft Parking Location)



CITY OF CHICO
AIRPORT COMMISSION MINUTE ORDER NO. 04-23

SUBJECT: AUTHORIZATION FOR THE CITY MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO REGIONAL AIRPORT (CITY OF CHICO/AIR CARRIAGE) FOR HANGAR E-1.

EXPLANATION PROVIDED BY: Airport Manager

Initials (*TB*)

1. In May 2023, Air Carriage notified the City they want to renew their lease for the hangar space located at space E-1.
2. Air Carriage has been leasing the hangar and land at space E-1 since November of 2003, with the current lease expiring at the end of July 2023. The initial lease had a twenty-year term with the option for an additional ten-year extension.
3. The new Air Carriage lease will have an initial twenty-year period, ending in July of 2043, with two additional five-year extension options.

RECOMMENDATION: Airport Manager

Initials (*TB*)

It is recommended that the Airport Commission approve this Minute Order and authorize the City Manager to execute this Lease of Real Property at the Chico Regional Airport (City of Chico/Air Carriage) located at Hangar E-1.

AIRPORT MANAGER:

Initials (*TB*)

AIRPORT COMMISSION (MEETING OF 07/25/23)

I hereby certify that the Airport Commission took the following action on this Minute Order:

Approved Other (explain below)

Tom Bahr, Airport Manager

CERTIFICATION

I hereby certify that the above is a true and correct copy of the original Minute Order on file in the office of the Airport Manager.

Tom Bahr, Airport Manager

DISTRIBUTION

Preliminary:

Final:

**LEASE OF IMPROVED REAL PROPERTY
CHICO REGIONAL AIRPORT
(CITY OF CHICO/AIR CARRIAGE, LLC)**

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DRAFT

**LEASE OF REAL PROPERTY
CHICO REGIONAL AIRPORT
100 LOCKHEED AVENUE
(CITY OF CHICO/ AIR CARRIAGE, INC.)**

THIS LEASE, executed on _____, 2023, between the City of Chico, a municipal corporation of the State of California, acting by and through its duly appointed Airport Commission (“City”), and Air Carriage, a Limited Liability Corporation (“Lessee”).

WITNESSETH:

BY THESE PRESENTS, City leases to Lessee and Lessee hires from City all of the real property at the Chico Regional Airport hereinafter described for the term and subject to the covenants and conditions hereinafter set forth.

1. DESCRIPTION OF LEASED PROPERTY

The real property to be leased at the Chico Regional Airport is improved with a hangar building consisting of approximately 3,300 square feet. The portion of the property to be leased by City to Lessee and hired by Lessee from City shall consist of only the entire 3,300 square foot hangar building as delineated on the plat entitled “Plat to Accompany CIC Lease to: Air Carriage, Inc,” a copy of which is attached hereto marked Exhibit “A” and by this reference incorporated herein, subject to any of the easements on, over, across, or under the leased property hereinafter reserved by City in this lease. (“Leased Property”).

2. RESERVATION OF EASEMENTS

a. Reservation of Fire Lane and/or Public Utility Easements

The leased property shall be subject to the fire lane and public utility easements delineated on Exhibit “A” attached hereto. Such fire lane and public utility easements, together with the right to enter thereon for any purpose in connection with the construction or maintenance of improvements and facilities located thereon, are hereby reserved by City for the benefit of itself and for the benefit of all other persons or entities owning or leasing property at the Chico Regional Airport. In connection with the fire lane, Lessee agrees that it will not cause or permit any aircraft, vehicle, or other equipment to be parked within the boundaries of such fire lane or use the fire lane in a manner which would interfere with equipment and personnel traversing same in the course of fire suppression activities.

b. Reservation of Avigation Easement

The leased property shall also be subject to an easement and right of way for the unobstructed passage of aircraft in the airspace above the leased property, which is reserved by City for the benefit of itself and all members of the general public operating aircraft which land at or take off from the Chico Regional Airport. Concomitant and coextensive with said easement and right of way, City and the general public shall have the further right to cause in all airspace above the surface of the leased property such noise, vibrations, fumes, dust, fuel particles, and other effects that may be caused by the operation of aircraft landing at or taking off from or otherwise operating at the Chico Regional Airport.

In connection with this easement and right of way, Lessee agrees not to cause or permit any structure, natural growth, or other object on the leased property which extends into the airspace over the leased property and not to use or permit the use of the leased property in such a manner as to create electrical interference with radio communications between aircraft and the Chico Regional Airport, to make it difficult for flyers to distinguish between airport lights and other lights, to impair visibility in the vicinity of the Chico Regional Airport, or to otherwise endanger aircraft landing at or taking off from the Chico Regional Airport. Lessee further agrees that in the event it causes or permits any structure, natural growth, or other object on the leased property which extends into the airspace over the leased property, or otherwise causes or permits any condition on the leased property which endangers aircraft landing at or taking off from the Chico Regional Airport, then City shall have the right to enter upon the leased property and to remove such structure, natural growth, object, or condition endangering aircraft landing at or taking off from the Chico Regional Airport, all at Lessee's sole cost and expense.

3. USE OF COMMON AREAS

As part of this lease, Lessee shall be entitled to use the public facilities and improvements at the Chico Regional Airport including the runways, taxiways, common use portions of the aprons, and navigational aids maintained by City at the Chico Regional Airport otherwise available to the public for landings and take-offs in the aircraft to be stored on the leased property. Lessee understands, however, that Lessee's use of such facilities shall be subject to City's continuing right to direct and control such use. In addition, City shall have the right but shall not be obligated to make repairs or improvements to such facilities regardless of the hindrance or interference thereby caused to Lessee.

4. LEASE TERM

The initial term of this lease shall be for a period of twenty (20) years, commencing on August 1, 2023, and terminating on July 31, 2043.

At the end of the initial term, Lessee may extend the term of this lease for up to two additional five-year periods, provided Lessee gives to the City notice of its intent to extend the term of this lease at least six months prior to the end of the initial or any such extended terms.

5. RENT

a. Basic Rent

As the initial basic rent for the leased property, Lessee agrees to pay to City the sum of \$1,650 per year, payable on or before June 30 of each year of the initial or any extended term of this lease, commencing with the first years rent due August 30, 2023. Such rent shall be payable at the office of the City Administrative services Director, 411 Main Street, Chico, California 95928 (P.O. Box 3420, Chico, California 95927-3420).

b. Rent Adjustment

City retains the option to annually renegotiate the basic rent. If City determines such renegotiation is warranted, City shall notify Lessee a minimum of sixty (60) days prior to the intended implementation date of any proposed rent adjustment.

6. AUTOMATIC TRANSFER OF RENT

In lieu of Lessee paying rent, additional rent, or other charges in the manner hereinbefore provided by this lease, City may, at its sole option, upon not less than 30 days' prior notice to Lessee, require Lessee to promptly execute and deliver to City any documents, instruments, authorizations, or certificates required by City to give effect to an automated debiting system, whereby any or all payments by Lessee (as designated from time to time by City) of whatsoever nature required or contemplated by this lease shall be debited monthly or from time to time, as determined by City, from Lessee's account in a bank or financial institution designated by Lessee and credited to City's bank account as City shall designate from time to time. Lessee shall promptly pay all service fees and other charges connected therewith, including, without limitation, any charges resulting from insufficient funds in Lessee's bank account or any charges imposed on the City. In the event that Lessee elects to designate a different bank or financial institution from which any rent, additional rent, or other charges under the lease are automatically debited, notification of such change and the required documents, instruments, authorizations, and certificates must be received by City no later than 30 days prior to the date such change is to become effective. Lessee agrees that it shall remain responsible to City for all payments of rent, additional rent, and other charges pursuant to the lease, even if Lessee's bank account is incorrectly debited in any given month. Such rent, additional rent, and other charges shall be immediately payable to City upon written demand. Lessee's failure to properly designate a bank or financial institution or to promptly provide appropriate information in accordance with this section shall constitute a default of the lease.

7. LATE PAYMENT OF RENT

If any installment of rent accruing under the provisions of this lease is not received by City on the date such rent becomes due, such rent shall bear interest thereon from the date due until paid at the rate of 10% per annum. Lessee also acknowledges that the late payment of rent will cause City to incur accounting and other processing costs not contemplated by this lease, the exact amount of which is extremely difficult and impracticable to fix. Therefore, if any installment of rent due from Lessee is not received by City on the date such rent becomes due, Lessee shall also pay to City an additional sum of 10% of the overdue rent as a late charge. City and Lessee agree that this late charge represents a fair and reasonable estimate of costs that City will incur by reason of the late payment of rent by Lessee. Acceptance of any such late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent City from exercising any of the other rights and remedies available to it by reason of such default.

8. USE OF LEASED PROPERTY

Lessee shall use the leased property solely for the storage of operational aircraft that are owned, leased, or under a long-term use agreement by Licensee, and other aircraft that are necessary and normally incident to the conduct of Lessee's business. In connection with Lessee's storage of aircraft, Lessee may also perform repair and maintenance work on the stored aircraft provided however that such aircraft can be made operational by Lessee within thirty (30) days of notice of termination of this lease.

9. COMPLIANCE WITH LAWS

In its use of the leased property, Lessee shall comply with all applicable statutes, ordinances, or regulations now or hereafter adopted by any federal, state, or county governmental entity, and with all ordinances, regulations, policies, and guidelines now or hereafter adopted by the City of Chico or any of its boards and commissions, including, but not limited to:

- a. The "Airport Rules and Regulations" adopted by the City Council of City;
- b. The "Standards for Conducting Aeronautical Activities at the Chico Regional Airport" adopted by City's Airport Commission; and
- c. The land use regulations applicable to the Chico Regional Airport adopted by the City Council of City.

10. COMPLIANCE WITH STORM WATER POLLUTION PREVENTION PLAN

Lessee shall comply with all provisions and requirements of the Chico Regional Airport's Storm Water Pollution Prevention Plan (SWPPP), a copy of which will be provided by City to Lessee upon execution of this Lease. If during the initial or any extended term of

this lease, Lessee's use of the Leased Premises results in a violation of the SWPPP for any reason or in any manner, through either Lessee's action or inaction, Lessee shall hold City, its boards and commissions and members thereof, its officers, employees, and agents harmless and free from any and all liability for violation of the SWPPP.

Should City or any of its boards and commissions or members thereof, its officers, employees, or agents be named in any suit, or should any claim be made against it or any of them by suit or otherwise, whether the same be groundless or not, arising out of or relating to Lessee's violation of the SWPPP for any reason or in any manner, through either Lessee's action or inaction, Lessee shall defend City, its boards and commissions and members thereof, its officers, employees, and agents, and shall indemnify them for any judgment rendered against them or any sums paid out in settlement or otherwise, including the payment of any and all attorney's fees.

11. WASTE, NUISANCE, AND HAZARDOUS MATERIALS

In its use of the leased premises and any other facilities provided by City at the Chico Regional Airport, Lessee shall not commit nor allow to be committed any waste nor maintain or allow to be maintained any nuisance thereon.

As used in this lease, the term "Hazardous Materials" shall mean any substance or material which has been determined by the state, federal or local governmental agency to be capable of posing risk of injury to health, safety, and property, including petroleum, petroleum products or by-products, and including but not limited to all those materials and substances designated as hazardous or toxic presently or in the future by the U.S. Environmental Protection Agency; the California Water Quality Control Board; the U.S. Department of Labor; the California Department of Industrial Relations; the California Department of Health Services; the California Health and Welfare Agency in connection with the Safe Water and Toxic Enforcement Act of 1986; the U.S. Department of Transportation; the U.S. Department of Agriculture; the U.S. Consumer Product Safety Commission; the U.S. Department of Health, Education and Welfare; the U.S. Food and Drug Administration, or any other governmental agency now or hereafter authorized to regulate materials and substances defined as "Toxic Materials" in section 66680 through 66685 of Title 22 of the California Code of Regulations, Division 4, Chapter 30, as the same shall be amended from time to time.

No goods, merchandise, or material shall be kept, stored, or sold on the leased premises which are in any way explosive or hazardous. No offensive or dangerous trade, business, or occupation shall be carried on therein or thereon, and nothing shall be done on the leased premises other than as is provided for in Paragraph 7 of this lease which will increase the rate of or suspend the insurance upon the structures hereby assigned to Lessee or upon adjacent City buildings or structures, and no machinery or apparatus shall be used or operated on the leased premises which will in any way injure leased premises or adjacent buildings without prior approval of the Airport Manager. The Lessee shall provide the Airport Manager on the first working day in January of each year with a list of all hazardous materials used, contemplated to be used, generated or otherwise

ATTACHMENT 5

produced by Lessee, their employees, agents, Lessees, etc. The Airport Manager shall be immediately informed of any changes in hazardous materials used. However, nothing shall preclude Lessee from bringing, keeping, or using machinery necessary or customary in carrying out the uses mentioned in Paragraph 7. If such uses include the keeping or storage of flammable or explosive substances, such substances shall be stored in closed containers, and shall be stored, used, or dispensed in the manner prescribed by the regulations of the City, the City's Fire Department, and/or other public body having authority in the matter, and in any event, in the safest possible manner. Appropriate Fire Department permits are required for storage of hazardous materials. From time to time, the Airport Manager and/or Fire Department personnel will inspect the premises for material safety.

In conducting its operations on the Chico Regional Airport, Lessee shall abide and be bound by all of the following requirements:

- a. Lessee shall comply with all federal, state, and local laws, requirements, and policies now or hereinafter in effect relating to Hazardous Materials and environmental conditions on, under or about the Chico Regional Airport including, but not limited to soil, air, and groundwater conditions, and shall not contaminate the Chico Regional Airport or the subsurface with any Hazardous Material.
- b. Lessee shall restrict the use of Hazardous Materials on the leased premises to those kinds of materials that would be normally expected in conducting the activities permitted under this lease in a safe and prudent manner. Disposal of any Hazardous Materials on the leased premises is strictly prohibited.
- c. Lessee shall be solely and fully responsible for the reporting of accidental Hazardous Material releases to the appropriate public agencies including the Airport Manager, when such releases are caused by or result from Lessee's activities on the Chico Regional Airport. Lessee shall immediately notify City of any release of Hazardous Materials, whether or not the release is in quantities that would otherwise be reportable to a public agency, if such release did, or has the potential to contaminate soil or enter the City's sanitary or storm drain sewer system.
- d. Lessee shall be solely and full responsible and liable in the event Lessee causes or permits Hazardous Materials to be released at the Chico Regional Airport, or to enter the City's sewerage or storm drainage system, soil, air, groundwater, or any improvements. Lessee shall take all necessary precautions to prevent any Hazardous Materials from entering into the City's sewerage or storm drainage system, soil, air, groundwater or any improvements, or from otherwise being released on the Chico Regional Airport. If at any time a release of Hazardous Materials is discovered on the leased premises, the Chico Regional Airport, City's sewerage or storm drainage system, soil, air, groundwater or any improvements, which were caused or permitted in whole or in part by Lessee, Lessee's officers,

agents, employees, Lessees, permittees or invitees or there is the danger of such release of Hazardous Materials, Lessee, at Lessee's sole cost and expense, shall remove, or be caused to remove, such Hazardous Materials from the Chico Regional Airport or the groundwater underlying the Chico Regional Airport, or the City's soil, air, storm drainage, and sewerage system, in accordance with requirements of all appropriate governmental authorities.

12. COVENANT AGAINST DISCRIMINATION ON THE GROUNDS OF RACE, COLOR, CREED, NATIONAL ORIGIN, AND SEX

a. Covenant Against Discrimination Required Under Part 21, Title 49, of the Code of Federal Regulations

In its use of the leased property, Lessee agrees that it will not discriminate against any person on the grounds of race, color, or national origin in any manner prohibited by Part 21, Title 49, of the Code of Federal Regulations. Upon Lessee's failure to comply with the foregoing covenant against discrimination, Lessee shall be in default of this lease and City shall be entitled to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease. Provided that, in the event City determines that Lessee is in default of the foregoing covenant against discrimination and serves Lessee with notice of such default in the manner hereinafter provided by this lease, Lessee shall have the right to appeal such determination within the time and in the manner provided by Part 21, Title 49, of the Code of Federal Regulations, and Lessee shall not be deemed in default of this lease until the expiration or exhaustion of such right of appeal, notwithstanding anything in this lease to the contrary. In addition, City, the federal government, or both City and the federal government, shall have the right to judicially enforce the foregoing covenant against discrimination in any court of competent jurisdiction.

Lessee further agrees that the foregoing covenant against discrimination shall be included in and made a condition of any sale, transfer, or assignment of this lease, or any of Lessee's rights in and to the leased property, any sublease of the leased property, or any other agreement granting to any person the right to use any of the services or facilities provided by Lessee on the leased property.

b. Covenant Against Discrimination Required Under Subpart E, Part 152, Title 14, of the Code of Federal Regulations

In its use of the leased property, Lessee agrees that it will not discriminate against any person on the grounds of race, creed, color, national origin, or sex in the manner prohibited by Subpart E, Part 152, Title 14, of the Code of Federal Regulations and, in connection therewith, shall undertake any affirmative action program required by such regulations. Lessee shall also require that its subgrantees or sub-aviation-related activities provide assurances to Lessee that they, similarly, will undertake any affirmative action programs required by such

regulations and that they, in turn, will require such assurances from their subgrantees and sub-aviation-related activities. Upon Lessee's failure to comply with the foregoing covenant against discrimination, Lessee shall be in default of this lease and City shall be entitled to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease.

13. COVENANT AGAINST ECONOMIC DISCRIMINATION

In its use of the leased property, Lessee agrees to furnish its services and facilities to all users thereof on a fair, equal, and not unjustly discriminatory basis and for fair, reasonable, and not unjustly discriminatory prices; provided that Lessee may make reasonable nondiscriminatory discounts, rebates, or other similar price reductions to all volume users of such services or facilities. Upon Lessee's failure to comply with the foregoing covenant against discrimination, Lessee shall be in default of this lease and City shall be entitled to terminate this lease and any and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease. In addition, City, the federal government, or both City and the federal government, shall have the right to judicially enforce the foregoing covenant against discrimination in any court of competent jurisdiction.

Lessee also agrees that the foregoing covenant against discrimination shall be included in and made a condition of any sale, transfer, or assignment of this lease or any of Lessee's rights in and to the leased property, any sublease of the leased property, or any other agreement granting to any person the right to use any of the services or facilities provided by Lessee on the leased property.

14. RIGHTS OF FEDERAL GOVERNMENT

This lease and all of Lessee's rights in and to the leased property shall be subject to the following rights of the federal government:

- a. Any rights of the federal government under an existing or any future agreement between City and the federal government relating to the development, operation, or maintenance of the Chico Regional Airport;
- b. Any right which the federal government now has or in the future may have or acquire affecting the control, operation, and taking over of the Chico Regional Airport; and
- c. Any right which the federal government now has or in the future may have or acquire to the exclusive or nonexclusive use of the Chico Regional Airport during a time of war or national emergency.

15. ACCEPTANCE OF LEASED PROPERTY

Lessee understands that the leased property was formerly leased by City to the federal government for use as an Army air base, that other surrounding lands which were also part of such Army air base have, in the past, been found to contain underground tanks and other underground facilities apparently abandoned by the federal government at the time the air base was released to City, and that by reason thereof the leased property, itself, might contain such underground tanks and other underground facilities. Moreover, Lessee understands that portions of the groundwater underlying the leased property may contain concentrations of volatile organic chemicals, including perchloroethylene (PCE) and trichloroethylene (TCE), which exceed water quality standards prescribed by the environmental agencies of the state and federal governments. Lessee acknowledges that City has granted to Lessee the right to review all maps of the old Army air base presently on file in the offices of City's Fire Department as well as the right to inspect the leased property and perform any tests of the soils thereon and/or the groundwater thereunder, all in order to afford Lessee a full and complete opportunity to investigate and determine whether the leased property can be used for the purposes for which it is being leased.

Lessee further understands and agrees that no representation, statement, or warranty, express or implied, has been made by or on behalf of City as to the condition of the leased property or the suitability of the property for its intended use, save and except for the representation and warranty that no City officer, employee, or agent has caused any condition of pollution or contamination which may now exist on the leased property. Such representation and warranty, however, shall not extend to any condition of pollution or contamination caused by the federal government or any other former lessee of City. Lessee also agrees to accept the leased property in its present condition and "as is" with respect to all conditions which now exist on or under the leased property, save and except for any condition of pollution or contamination caused by an officer, employee, or agent of City. Moreover, Lessee agrees to waive any claim or right of action against City which Lessee now has or hereafter may acquire arising out of the condition of the leased property, its soils and/or the groundwaters underlying the leased property, including but not limited to any claim of indemnity which Lessee may have by reason of costs incurred by Lessee arising out of the abatement or cleanup of any pollution or contamination condition discovered on the leased property hereinafter required under applicable state, federal, or City laws or regulations, save and except for a claim or right of action arising out of a condition of pollution or contamination caused by an officer, employee, or agent of City.

16. CASP INSPECTION

Pursuant to Civil Code section 1938, the Leased property has not been inspected by a Certified Access Specialist (CASp) and has not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code section 55.53.

17. IMPROVEMENTS TO LEASED PROPERTY

During the initial or any extended term of this lease, Lessee shall not make any additions or alterations to the improvements on the leased property without the prior consent of City's Airport Manager. Moreover, upon receiving consent to make an addition or alteration to the improvements on the leased property, Lessee shall not commence work on the construction or installation of such added or altered improvements until plans and specifications for same have been submitted to and approved by both City's Airport Manager and Director of Public Works.

Upon termination of this lease, all additions or alterations to the improvements on the leased property made by Lessee shall become the property of City without the payment of any compensation therefor; provided, however, that upon termination of this lease, City shall have the option to require Lessee to remove any or all added improvements and/or restore any altered improvement to the same condition as it was in at the commencement of the term of this lease, all at Lessee's sole cost and expense.

18. MAINTENANCE OF LEASED PROPERTY

During the initial or any extended term of this lease, Lessee shall, at its sole cost and expense, maintain the leased property and all improvements thereon and facilities appurtenant thereto in good, sanitary, and neat order, condition, and repair, and the City shall have no responsibility whatsoever to maintain the leased property or make any repairs thereto.

Lessee, by these presents, specifically waives the provisions of Sections 1941 and 1942 of the California Civil Code with respect to the landlord's obligations for the tenant ability of leased property and tenant's right to make repairs and deduct the expense of such repairs from rent.

19. RESTORATION AND REPAIRS IN THE EVENT OF DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY

If, during the initial or any extended term of this lease, any of the improvements now or hereafter located on the leased property are damaged or destroyed by fire or other casualty, then this lease shall continue in full force and effect without any abatement of rent, and Lessee, at Lessee's sole cost and expense, shall repair and restore such damaged or destroyed improvements according to the plan therefor at the time of such damage or destruction, or in accordance with such modified plan therefor as approved by City's Airport Manager, whether or not such improvements are damaged or destroyed by a fire or other casualty covered by the fire and extended hazards insurance hereinafter provided for by this lease.

Lessee, by these presents, specifically waives the provisions of Sections 1932 and 1933 of the California Civil Code with respect to the termination of the hiring of a thing by virtue of the perishing or destruction of the thing being hired.

20. UTILITIES

During the initial or any extended term of this lease, Lessee shall have the right to connect the leased property and all improvements thereon and facilities appurtenant thereto to the sewer system owned, operated, and maintained by City at the Chico Regional Airport; provided that Lessee shall maintain all sewer laterals or other sewer facilities on the leased property at its sole cost and expense and shall pay to City a monthly sewer service fee in accordance with the sewer service rates now or hereafter established by City, which sewer service fees shall be in addition to the rent to be paid by Lessee for the leased property as hereinbefore provided by this lease. All other utilities shall be provided to the leased property by Lessee at its sole cost and expense and City shall have no responsibility of any kind for any thereof.

21. TAXES AND ASSESSMENTS

During the initial or any extended term of this lease, Lessee shall pay all taxes and assessments levied on the leased property, it being understood by Lessee that although the leased property is held in public ownership, Lessee's interest therein will be taxable as a possessory interest.

22. LIENS

During the initial or any extended term of this lease, Lessee shall keep the leased property and every part thereof free and clear of all mechanics' liens, materialmen's liens, and other liens for any work or labor done, services performed, or materials and appliances used or furnished for or in connection with any operation of Lessee, any repair, alteration, or addition which Lessee may make or permit or cause to be made, or any work or construction by, for, or permitted by Lessee on or about the leased property. Lessee shall at all times promptly and fully pay and discharge any and all claims on which any such liens may or could be based, and shall indemnify City against all such liens, claims of liens, and suits or other procedures pertaining thereto. Lessee agrees to serve City with a notice of any repair, alteration, or addition to the leased property, including any of the improvements now or hereafter located on the leased property, estimated to cost in excess of \$5,000, at least five days in advance of the commencement of work upon such repair, alteration, or addition in order that City may post appropriate notices of no responsibility.

23. INDEMNIFICATION

To the fullest extent permitted by law, during the initial or any extended term of this lease, Lessee shall defend (with counsel of City's choosing), indemnify and hold City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Lessee, its officials, officers, employees, sublessees, consultants or agents

in connection with Lessee's use of City premises under this lease including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Lessee shall reimburse City and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Lessee's responsibility for such defense and indemnity obligations shall survive the termination or completion of this lease for the full period of time allowed by law.

The defense and indemnification obligations of this lease are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this lease. Lessee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City, its directors, officials, officers, employees, agents, or volunteers.

24. GENERAL LIABILITY INSURANCE

Lessee shall obtain commercial general liability insurance (occurrence policy form) from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an "A" rating, which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$2,000,000 per occurrence, and \$4,000,000 in the aggregate, with a maximum policy deductible of \$5,000, or as approved by the City's Human Resources and Risk Management Office.

It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specific minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured, whichever is greater.

The insurance coverage required herein shall be evidenced by a certificate of insurance with policy endorsements and shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

Lessee acknowledges and agrees that City of Chico, its officers, boards and commissions, and members thereof, its employees and agents, are covered as additional insureds with respect to any liability arising out of the activities of Lessee as the named insured. Such additional insured status shall be evidenced by a policy endorsement executed by an authorized official of the insurer(s). A blanket endorsement which provides additional

insured status to any person or organization with whom Lessee, as named insured, has entered into a written contract, such as this Agreement, shall satisfy this requirement.

The insurance coverage required herein shall be primary and non-contributory insurance with respect to the City of Chico, its officers, officials and employees. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by the insurance coverage required herein and shall not contribute to any loss. Such primary insurance status shall be evidenced by a policy endorsement issued by an authorized official of the insurer(s), and shall be at least as broad as CG 20 01 04 13. In the alternative, a letter issued by an authorized official of the insurer(s) and copies of the pertinent page(s) of the policy shall satisfy this requirement.

The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess Insurance. Any umbrella or excess Insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City of Chico (if agreed to in a written contract or agreement) before City of Chico's self-insurance shall be called upon to protect it as a named insured.

All self-insured retentions (SIR) must be disclosed to the City's Human Resources and Risk Management Office for approval and shall not reduce the limits of liability. Policies containing any (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or City of Chico. City of Chico reserves the right to obtain a full certified copy of any Insurance policy or endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

25. FIRE AND EXTENDED HAZARDS INSURANCE

a. Type and Amount of Insurance

At all times during the initial or any extended term of this lease, Lessee shall, at its sole cost and expense, maintain in full force and effect fire insurance obtained from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an "A" rating, insuring all of the improvements located on the leased property and facilities appurtenant thereto against fire, extended coverage hazards, vandalism, and malicious mischief. All such insurance shall be in the form or forms approved by the City's Risk Manager, shall insure all improvements located on the leased property and facilities appurtenant thereto in an amount equal to 100% of the full replacement value thereof, and shall provide that the insurer shall give City at least 30 days' prior notice of cancellation or material change in coverage.

Upon execution of this lease, a copy of the insurance policy or policies required herein or, in lieu thereof, the face page of such policy or policies and any

ATTACHMENT 5

endorsements which limit or otherwise affect the coverage provided shall be delivered by Lessee to the Risk Manager of City for approval as to form and sufficiency. When such insurance policy or policies has been so approved, Lessee may substitute for same a certificate of insurance issued by the respective insurance company or companies certifying that such insurance policy or policies is in full force and effect and all improvements located on the leased property and facilities appurtenant thereto are insured in the amount required herein.

In the event any dispute over whether the amount of such insurance complies with the requirements of this section cannot be resolved by agreement, City's Risk Manager may request the carrier of the insurance then in force to determine the full replacement value of the buildings, improvements, and facilities located on the leased property and the resulting determination shall be conclusive between the parties for purposes of this section.

b. Disposition of Insurance Proceeds

If the improvements located on the leased property or any facilities appurtenant thereto are damaged or destroyed from a risk covered by the insurance policy required by this section, all of the proceeds of such insurance shall be paid to Mid Valley Title Company, as trustee, or to such other responsible corporate trustee as may be designated by City's Risk Manager, to be held in trust for the purpose of repairing or restoring such damaged or destroyed improvements or facilities. If, following such damage or destruction, Lessee promptly commences such repair or restoration work and thereafter prosecutes the same with reasonable dispatch, the insurance proceeds deposited with the trustee shall be paid, in installments, to the Lessee retained by Lessee to perform the repair or restoration work as such work progresses, such payments to be made upon presentation of a certificate or voucher from any responsible architect or engineer having supervision of the repair or restoration work showing the amount due. Upon adoption of a plan of repair or restoration that will require expenditures of an amount in excess of the insurance proceeds held by the trustee, the trustee may withhold such payments until such time as it is made to appear to the trustee's satisfaction that the amount necessary to provide for such repair or restoration, according to the plan adopted, in excess of the insurance proceeds held by the trustee, has been provided for and its application under such purposes assured. Any portion of the insurance proceeds remaining in the hands of the trustee after completion of such repair or restoration work shall be paid to Lessee.

If, following such damage or destruction, Lessee does not commence such repair or restoration work within a period of three months after such damage or destruction occurs and/or does not prosecute the repair or restoration work with such dispatch as would be necessary to complete the same within a period of six months thereafter, then the insurance proceeds held by the trustee or any balance remaining in its hands shall be retained as security for performance of the covenants hereof. Thereafter, no part of such insurance proceeds shall be paid for

such repair or restoration work except with the consent of City's Risk Manager, it being the option of City, in the meantime, to terminate this lease on account of any such default and have transferred to it by the trustee such insurance proceeds as damages resulting to the City from the failure of Lessee to promptly commence and within reasonable time complete such repair or restoration work.

26. AIRCRAFT LIABILITY INSURANCE

Lessee shall obtain aircraft liability insurance (occurrence policy form) from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an "A" rating, which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$2,000,000 per occurrence, with a maximum policy deductible of \$5,000, or as approved by the City's Human Resources and Risk Management Office.

It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specific minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured, whichever is greater.

The insurance coverage required herein shall be evidenced by a certificate of insurance with policy endorsements and shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

27. SALES, ASSIGNMENTS, TRANSFERS, SUBLEASES, AND ENCUMBRANCES

Lessee shall not sell, assign, transfer, or encumber this lease or any interest of Lessee in and to the leased property, nor sublease the leased property, in whole or in part, except with the consent of the City's Airport Manager. Neither shall this lease, nor any interest of Lessee in and to the leased property, be subject to an involuntary sale, assignment, or transfer, or sale, assignment, or transfer by operation of law in any manner whatsoever. Any such sale, assignment, transfer, encumbrance, or sublease, whether voluntary or involuntary, shall be void and of no effect and shall be a default which entitles City to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease.

28. BANKRUPTCY AND INSOLVENCY

Lessee agrees that in the event any proceedings under the Bankruptcy Act or any amendment thereto are commenced by or against Lessee and, if against Lessee, such

proceedings are not dismissed either before an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan of reorganization, or in the event Lessee is adjudged insolvent or makes an assignment for the benefit of creditors, or in the event a receiver is appointed in any proceeding or action to which Lessee is a party with authority to take possession or control of the leased property or the business conducted thereon by Lessee, then Lessee shall be in default of this lease and City shall, to the extent permitted by law, be entitled to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease.

29. EMINENT DOMAIN

In the event of a total or partial taking of the leased property or any interest therein by a public authority under the power of eminent domain, including but not limited to any taking of Lessee's leasehold estate by City under City's power of eminent domain, then the rights of the Lessee with respect to the term, rent, and the just compensation awarded in such eminent domain proceeding shall be in accordance with the law in effect when such taking occurs.

30. DEFAULT

Lessee shall be deemed in default under this lease:

- a. Upon breach of any of the covenants and conditions of this lease with respect to discrimination on the grounds of race, creed, color, national origin, or sex; with respect to economic discrimination; with respect to the sale, assignment, transfer, encumbrance, or subletting of the leased property; with respect to the bankruptcy or insolvency of Lessee; upon failure to pay any rent, installment, or any other charge required under this lease to be paid by Lessee to City when due; upon failure to provide evidence of the insurance when due; or with respect to any other covenant or condition of this lease, which breach cannot be cured, immediately upon being given notice thereof by City.
- b. Upon the breach of any of Lessee's other duties and obligations under this lease, which breach can be cured, if such breach is not cured within 30 days after being given notice thereof by City.

31. REMEDIES ON DEFAULT

- a. City's Right to Terminate Lease

Upon Lessee's default of this lease, City shall have the right, without further notice, to terminate this lease and any and all interest of Lessee in and to the leased property, to enter upon and retake possession of the leased property, including all improvements thereon and facilities appurtenant thereto, by legal proceedings or otherwise, and to recover from Lessee, at the time of such termination, the excess, if any, of the amount of rent to be paid by Lessee under

this lease for the balance of the lease term over the then reasonable rental value of the leased property for the same period. For the purposes of this section, City and Lessee agree that the “reasonable rental value” shall be the amount of rent which City can obtain as rent for the balance of the lease term.

b. City’s Right to Repossess, Operate, or Relet the Leased Property for Lessee’s Account

Upon Lessee’s default under this lease, City shall also have the right, without further notice and without terminating this lease, to enter upon and retake possession of the leased property, including all improvements thereon and fixtures appurtenant thereto, by legal proceedings or otherwise, and to take, operate, or relet the same in whole or in part for the account of Lessee at such rental, on such conditions, and to such tenant or tenants as City, in good faith, may deem proper, for a term not exceeding the unexpired period of the full term of this lease. City shall receive all proceeds from rent accruing from such operating or reletting of the leased property and shall apply the same first to the payment of all costs and expenses incurred by City in the operation or reletting of the leased property and any alterations or repairs reasonably necessary to enable City to operate or relet the leased property, and then to the payment of all such amounts as may be due or become due under the provisions of this lease, and the balance remaining, if any, at the expiration of the full term of this lease or on the sooner termination thereof, by written notice of termination given by City to Lessee, shall be paid over to Lessee. In the event proceeds from rentals received by City under the provisions of this section are insufficient to pay all costs and expenses and all amounts due and becoming due hereunder, Lessee shall pay to City, on demand by City, such deficiency as may from time to time occur or exist. Notwithstanding any such operation or reletting without terminating this lease, City may, at any time, thereafter, elect to terminate this lease in the event that Lessee remains in default hereunder at such time.

c. City’s Right to Perform

Notwithstanding any provisions as to notice of default in this lease to the contrary, if, in City’s judgment, a continuance of any default by Lessee for the full period of the notice otherwise provided for will jeopardize the leased property, including any improvements thereon or facilities appurtenant thereto, or the rights of City, City may, without notice, elect to perform those acts in respect of which Lessee is in default at Lessee’s expense and Lessee shall thereupon reimburse City, with interest at the rate of 10% per annum, upon 30 days’ notice by City to Lessee.

d. Other Remedies

All rights, options, and remedies of City contained in this lease shall be construed and held to be cumulative and not one of them shall be exclusive of the other, and City shall have the right to pursue any one or all of such remedies or any other

remedy or relief which may be provided for by law, whether or not stated in this lease.

32. WAIVER OF DEFAULT

Any waiver by City of a default of this lease arising out of the breach of any of the covenants, conditions, or restrictions of this lease shall not be construed or held to be a waiver of any succeeding or preceding default arising out of a breach of the same or any other covenant, condition, or restriction of this lease.

33. CITY'S RIGHT OF ENTRY

Lessee shall permit City and any agents and employees of City to enter in and upon the leased property at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of nonresponsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the leased property thereby occasioned.

34. EFFECT OF HOLDING OVER

Any holding over after the expiration of the initial or any extended term of this lease, with the consent of City, shall be construed to be a tenancy from month-to-month at the monthly rental to be paid by Lessee to City pursuant to the terms of this lease immediately prior to the expiration of such initial or extended term and shall otherwise be subject to the covenants and conditions herein provided by this lease, insofar as applicable.

35. NOTICES

All notices or demands to be given, made, or sent, or which may be given, made, or sent by one party to the other pursuant to this lease shall be deemed to have been given, made, or sent when made in writing, and deposited in the U.S. mail, certified and postage prepaid, addressed as follows:

- a. To City: City of Chico
Attention: Airport Manager
P.O. Box 3420
Chico, CA 95927-3420

- b. To Lessee: Air Carriage, Inc.
PO Box 3099
Chico, CA 95927

The address to which any notice, demand, or other writing may be given, made, or sent by any party as above provided may be changed by written notice given by such party as above provided.

36. AMENDMENTS

This lease may be modified or amended only by a writing duly authorized and executed by both City and Lessee. It may not be amended or modified by oral agreement or understanding between the parties unless the same shall be reduced to a writing duly approved and executed by both parties.

37. PARTIES BOUND

The covenants and conditions herein contained shall apply to and bind the legal representatives, successors, and assigns of all of the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this lease in the City of Chico, County of Butte, State of California, on the date first set forth above.

CITY OF CHICO

LESSEE

By: Mark Sorenson, City Manager

By: Henry Roberson, President

Authorized pursuant to the approval by the Airport Commission on July 25, 2023

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Vincent C. Ewing, City Attorney*

Tom Bahr, Airport Manager*

*Approved pursuant to The Charter of the City of Chico § 906(D)

*Authorized pursuant to AP&P Number 90-16, Section 5.0 h

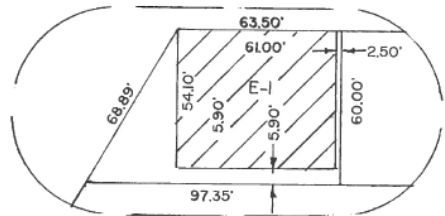
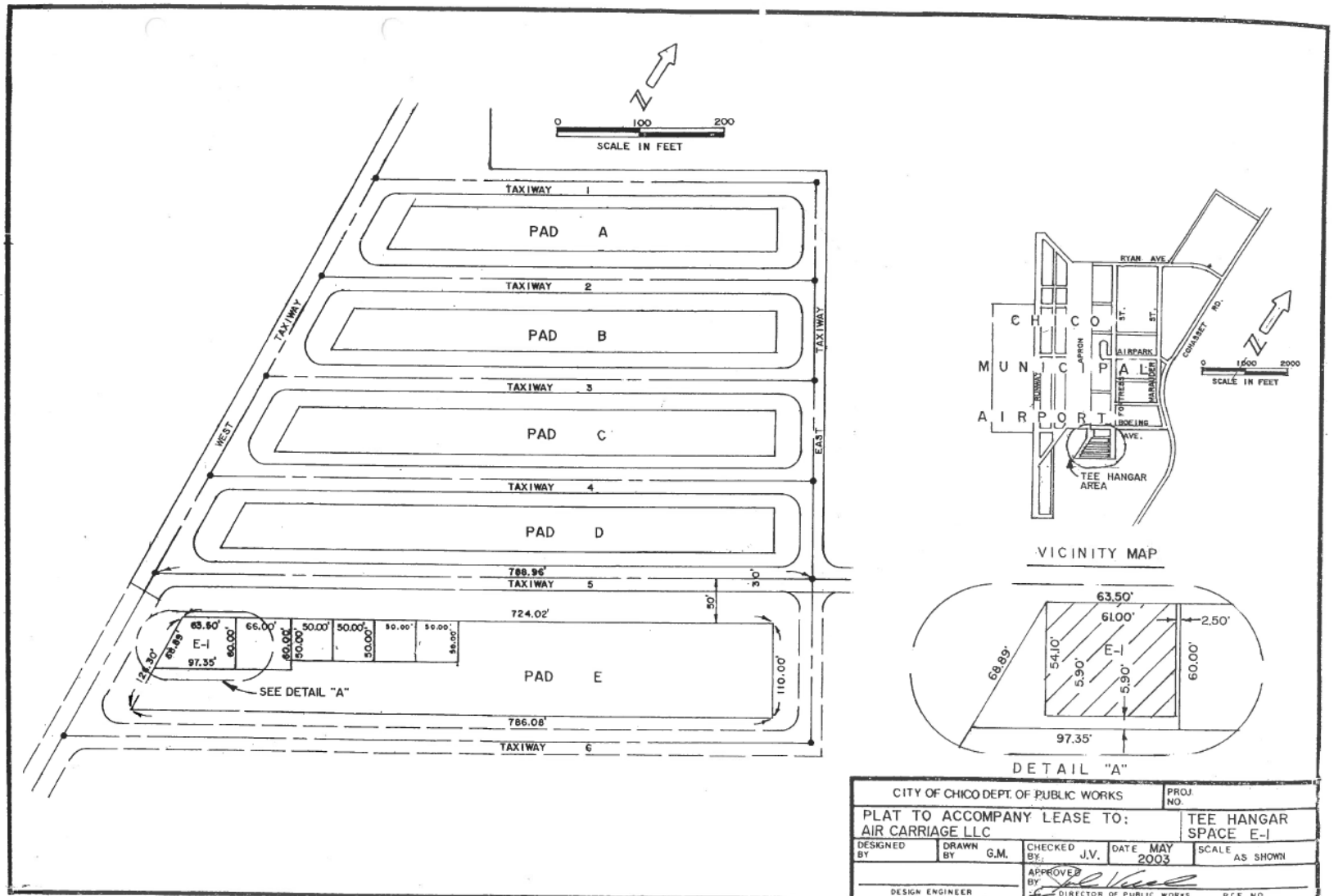
REVIEWED AS TO CONTENT:

Barbara Martin, Administrative Services Director*

*Reviewed by Finance and Information Systems

ATTACHMENT 5

EXHIBIT A



CITY OF CHICO DEPT. OF PUBLIC WORKS					PROJ NO.
PLAT TO ACCOMPANY LEASE TO:					TEE HANGAR SPACE E-1
AIR CARRIAGE LLC					
DESIGNED BY	DRAWN BY G.M.	CHECKED BY J.V.	DATE MAY 2003	SCALE AS SHOWN	
DESIGN ENGINEER					R.C.E. NO.

SHEET 1 OF 1