

**LEASE OF REAL PROPERTY**  
**(COUNTY OF GLENN/\_\_\_\_\_)**  
**LEASE NUMBER \_\_\_\_\_**

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**LEASE OF REAL PROPERTY**

(COUNTY OF GLENN/\_\_\_\_\_)

**LEASE NUMBER** \_\_\_\_\_

THIS LEASE, executed in duplicate this \_\_\_\_ day of \_\_\_\_\_, between the County of Glenn, a political subdivision of the State of California, (hereinafter referred to as "County"), and \_\_\_\_\_, a (n) \_\_\_\_\_ (hereinafter referred to as "Lessee").

W I T N E S S E T H:

BY THESE PRESENTS, County leases to Lessee and Lessee hires from County all of the real property at the [Orland Haigh Field Airport] [or] [Willows Airport] hereinafter described for the term and subject to the covenants and conditions hereinafter set forth.

**1. DESCRIPTION OF LEASED PROPERTY**

The property leased by County to Lessee and hired by Lessee from County shall consist of all of the real property at the [Orland Haigh Field Airport] [or] [Willows Airport] delineated on the plat entitled "Plat to Accompany Lease to: \_\_\_\_\_," 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 County in this lease. The leased property is unimproved, save and except for \_\_\_\_\_, and contains a total area of \_\_\_\_ acres more or less.

**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] easement[s] delineated on Exhibit A attached hereto. Such [fire lane] [and] [public utility] easement[s], together with the right to enter thereon for any purpose in connection with the construction or maintenance of improvements or facilities located thereon, [is] [are] hereby reserved by County for the benefit of itself and for the benefit of all other persons or entities owning or leasing property at the [Orland Haigh Field Airport] [or] [Willows 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 it in the course of fire suppression activities.]

b. Reservation of Aviation 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 County for the benefit of itself and all members of the general public operating aircraft which land at or take off from the [Orland Haigh Field Airport] [or] [Willows Airport]. Concomitant and coextensive with said easement and right of way, County 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 [Orland Haigh Field Airport] [or] [Willows 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 more than 245 feet above mean sea level, 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 [Orland Haigh Field Airport] [or] [Willows Airport], to make it difficult for flyers to distinguish between airport lights and other lights, to impair visibility in the vicinity of the [Orland Haigh Field Airport] [or] [Willows Airport], or to otherwise endanger aircraft landing at or taking off from the [Orland Haigh Field Airport] [or] [Willows 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 more than 288 feet above mean sea level, or otherwise causes or permits any condition on the leased property which endangers aircraft landing at or taking off from the [Orland Haigh Field Airport] [or] [Willows Airport], then County 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 [Orland Haigh Field Airport] [or] [Willows Airport], all at Lessee's sole cost and expense.

**3. LEASE TERM**

The term of this lease shall be for a period of \_\_\_\_ years commencing on \_\_\_\_\_, and terminating on \_\_\_\_\_.

**4. RENT**

a. Basic Rent

As basic rent for the leased property, Lessee agrees to pay to County the sum of \$\_\_\_\_\_ per month, payable on or before the first day of each month during the term of this lease, commencing with \_\_\_\_\_. Such rent shall be payable at the office of the County Public Works Director, 777 North Colusa Street, Willows, California 95988.

b. Rent Adjustments

If, at the commencement of the **annual** anniversary of the term of this lease, the Consumer Price Index last published prior to the commencement of such anniversary is greater than the Consumer Price Index last published prior to the date of this lease, then the basic monthly rent due during the remaining term of this lease following such anniversary shall be increased in the same proportion that the Consumer Price Index last published prior to such anniversary bears to the Consumer Price Index last published prior to the date of this lease. Provided that, if, at the commencement of the **annual** anniversary of this lease, the Consumer Price Index last published prior to such anniversary is less than the Consumer Price Index last published prior to the date of this lease, then no adjustment shall be made in the basic rent, whether or not such basic rent was increased on a prior anniversary of the term of this lease.

For the purpose of this lease, the term "Consumer Price Index" shall mean the Consumer Price Index published by the Federal Bureau of Labor Statistics for all urban consumers - U.S. cities average (all items) or any other measure hereinafter employed by the Federal Bureau of Labor Statistics in lieu of said Consumer Price Index that measures the cost of living in U.S. cities.

For the purposes of this section, adjusted rents will be rounded to the nearest five dollars (\$5.00) when applying the Consumer Price Index.

**5 LATE PAYMENT OF RENT**

In the event County does not receive any installment of rent accruing under the provisions of this lease 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 County 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 County does not receive any installment of rent due from Lessee on the date such rent becomes due; Lessee shall also pay to County an additional sum of 5% of the overdue rent as a late charge. County and Lessee agree that this late charge represents a fair and reasonable estimate of costs that County 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 County from exercising any of the other rights and remedies available to it by reason of such default.

**6 USE OF LEASED PROPERTY**

Lessee shall use the leased property solely for the purpose of operating a business engaged in \_\_\_\_\_ and for any other purpose necessary or normally incident to the conduct of such business; provided that Lessee agrees that its right to use the leased property to operate such business shall not be exclusive of the right of any other person or firm to operate the same or a similar business on other property located at the [Orland Haigh Field Airport] [or] [Willows Airport].

**7 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 County or any of its boards and commissions

**8. WASTE AND NUISANCE**

In its use of the leased property, Lessee shall not commit nor allow to be committed any waste nor maintain or allow to be maintained any nuisance thereon.

**9. COVENANTS 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 County 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 County 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, County, the federal government, or both County 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 sub grantees 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 sub grantees 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 County 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.

**10. COVENANTS 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 County 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, County, the federal government, or both County 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.

**11. 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 County and the federal government relating to the development,

operation, or maintenance of the [Orland Haigh Field Airport] [or] [Willows 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 [Orland Haigh Field Airport] [or] [Willows 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 [Orland Haigh Field Airport] [or] [Willows Airport] during a time of war or national emergency.

## 12. IMPROVEMENTS TO LEASED PROPERTY

### a. Covenant to Construct Improvements

Lessee agrees to construct and install, at its sole cost and expense, a \_\_\_\_\_ on the leased property as depicted on Exhibit A attached hereto. Plans and specifications for such improvements shall be prepared by Lessee and submitted to the Director of Public Works for approval on or before the commencement of the [initial] term of this lease. Work on constructing and installing such improvements shall be commenced by Lessee immediately following approval of such plans and specifications by the Director of Public Works and shall be completed within \_\_\_ months thereafter; provided that, in the event there is a delay in the construction and installation of such improvements which is not occasioned or caused by Lessee, the time within which such improvements are to be completed may be extended with the approval of the Board of Supervisors.

### b. Additional Improvements

During the [initial or any extended] term of this lease, Lessee shall not make any additional improvements nor alter any existing improvements on the leased property without the prior consent of County's Director of Public Works. Moreover, upon receiving consent to make additional improvements or alter any existing improvements on the leased property, Lessee shall not commence work on constructing or installing such added or altered improvements until plans and specifications for it have been submitted to and approved by the Director of Public Works.

c. Notice of Improvements to be given to the Federal Aviation Administration

Lessee shall give notice to the administrator of the Federal Aviation Administration of the construction and installation of any improvements occurring at the commencement of the term of this lease or at any time during the [initial or any extended] term of this lease where such improvements are of the type requiring a notice pursuant to Subpart B of Part 77 of Title 14 of the Code of Federal Regulations, commencing with Section 77.11. All such notices shall be in the form and contain the information required by such regulations. At the time of filing such notice, a copy of it shall also be filed with the County's Director of Public Works.

d. Disposition of Improvements Made by Lessee Upon Termination of Lease

Upon termination of this lease, all improvements made by Lessee on the leased property including, but not limited to, the \_\_\_\_\_ constructed and installed by Lessee on the leased property, shall become the property of County without payment of any consideration therefore; provided, however, that upon termination of this lease, County shall have the option to require Lessee to remove any and all such added improvements and/or restore any altered improvement to the same condition as it was in prior to the commencement of the term of this lease, all at Lessee's sole cost and expense.

**13. 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 County 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.

**14. 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 a 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 therefore at the time of such damage or destruction, or in accordance with such modified plan therefore as shall be approved by County's Director of Public Works, 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.

**15. 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 water and sewer system owned, operated, and maintained by [City of Orland] [or] [City of Willows] at the [Orland Haigh Field Airport] [or] [Willows Airport]; provided that Lessee shall maintain all water and sewer laterals or other water and sewer facilities on the leased property at its sole cost and expense and shall pay to [City of Orland] [or] [City of Willows] a monthly water and sewer service fee in accordance with the water and sewer service rates now or hereafter established by [City of Orland] [or] [City of Willows], which water and 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. Lessee shall provide all other utilities to the leased property at its sole cost and expense and neither the County nor [City of Orland] [or] [City of Willows] shall have any responsibility of any kind for any thereof.

**16. 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.

## **17. 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, material men'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 County against all such liens, claims of liens, and suits or other procedures pertaining thereto. Lessee agrees to serve County 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 at least five days in advance of the commencement of work upon such repair, alteration, or addition in order that County may post appropriate notices of non-responsibility.

## **18. INDEMNIFICATION**

During the [initial or any extended] term of this lease, Lessee shall hold County, its boards and commissions and members thereof, its officers, employees, and agents harmless and free from any and all liability arising out of or relating to this lease and/or Lessee's possession and use of the leased property. Should County 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 this lease and/or Lessee's possession and use of the leased property, Lessee shall defend County, 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.

## **19. GENERAL LIABILITY INSURANCE**

During the [initial or any extended] term of this lease, Lessee shall, at its sole cost and expense, maintain in full force and effect comprehensive general liability insurance which insures Lessee against any and all liabilities arising out of this lease and/or Lessee's possession and use of the leased property. Such insurance shall be obtained from one or more insurance companies licensed to do business in the State of California and having a financial rating in Best's Insurance Guide of at least "B" or, in the alternative, one or more unlicensed U.S. domiciled insurance companies having a rating of at least "A"; shall be in an amount of at least \$1,000,000 combined single limit; and shall name County, County's boards and commissions and members thereof, and County's officers, employees, and agents as additional insured under the coverage afforded. In addition, such insurance shall be primary and noncontributing with respect to any other insurance available to County, shall include a severability of interests (cross-liability) clause, shall afford to County at least 30 days' unqualified prior notice of

cancellation or material change in coverage, and shall otherwise be in the form or forms approved by the County Counsel.

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 endorsements which limit or otherwise affect the coverage provided therein shall be delivered by Lessee to the County Counsel 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 that all liabilities arising out of this lease and/or Lessee's possession and use of the leased property are covered by such insurance policy or policies. Notwithstanding any provisions to the contrary contained herein, Lessee shall not have the right to take possession of the leased property until such insurance policy or policies is filed with and approved by the County Counsel.

Following execution of this lease, the County may, based on an increase in the Consumer Price Index or by reason of the number or types of claims which have or might result from Lessee's possession and use of the leased property, require Lessee to change the form and/or increase the limits of the general liability insurance coverage required by this section; provided that the County shall give Lessee 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.

## **20. FIRE AND EXTENDED HAZARDS INSURANCE**

### **a. Type and Amount of Insurance**

During the period of construction of any improvements on the leased property required by this lease and at all times thereafter 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 insurance companies licensed to do business in the State of California and having a financial rating in Best's Insurance Guide of at least "B" or, in the alternative, one or more unlicensed U.S. domiciled insurance companies having a rating of at least "A," insuring all of the improvements now or hereafter constructed and installed on the leased property and any 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 County Counsel, 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 County 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 endorsements which limit or otherwise affect the coverage provided shall be delivered by Lessee to the County Counsel 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, County Counsel 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

In the event the improvements now or hereafter constructed and installed 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 a responsible corporate trustee as may be designated by County, 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 contractor 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 County Counsel, it being the option of County, 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 County from the failure of Lessee to promptly commence and within reasonable time complete such repair or restoration work.

In the event Lessee shall at any time, by mortgage, deed of trust, or other security instrument, encumber its leasehold estate or interests in and to the leased property as hereinafter provided for, and authorize the mortgagee or trustee named therein to enter upon the leased property on Lessee's behalf and undertake or prosecute the work of repairing or restoring any improvement on the leased property or any facilities appurtenant thereto damaged or destroyed by fire or other cause, and to have and receive for its use for such purposes such insurance proceeds, such insurance proceeds shall be fully available to such mortgagee, trustee, or to Lessee as above provided and it shall in like manner and to like extent be applied by such mortgagee or trustee to such repair or restoration work.

## **21. 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 written consent of County. (For the purposes of this Agreement, written consent may only be provided by County Counsel.) 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 County to terminate this lease and all of Lessee's rights in and to the leased property in the manner hereinafter provided by this lease.

## **22. ENCUMBRANCE OF THE LEASEHOLD INTEREST TO CONSTRUCT IMPROVEMENTS ON THE LEASED PROPERTY**

Lessee may encumber, by mortgage, deed of trust, or other security instrument, its leasehold estate and interest in and to the leased property together with all improvements thereon as security for a loan, the proceeds of which are to be used to construct the improvements upon the leased property required by this lease with County's consent. The execution of such mortgage, deed of trust, or other security instrument, or any transfer, sale, or assignment hereunder, either by judicial proceedings or by virtue of a power reserved in such mortgage, deed of trust, or other security instrument, or the transfer, sale, or assignment by the Lessee of its leasehold estate and interest in and to the leased property to the holder of such indebtedness, as well as any subsequent sale, transfer, or assignment by the holder of such indebtedness of Lessee's right to the leasehold estate and interest in and to the leased property, shall not be a violation of the covenants and conditions of this lease notwithstanding anything in this lease to the contrary; provided that any purchaser, transferee, or assignee of the Lessee's right to the leasehold estate and interest in and to the leased property shall be liable to perform the obligations of Lessee

under this lease so long as such purchaser, transferee, or assignee holds title to the leasehold estate and Lessee's interest in and to the leased property.

If Lessee does encumber its leasehold estate and interest in and to the leased property, Lessee shall, at Lessee's expense and immediately after recording such mortgage, deed of trust, or other security interest, cause to be recorded in the Office of the Recorder, County of Glenn, State of California, a written request, executed and acknowledged by County's Director of Public Works, for a copy of any notice of default or any notice of sale of the mortgage, deed of trust, or other security instrument as provided for by the statutes of the State of California.

If Lessee does encumber its leasehold estate and interest in and to the leased property, and if Lessee or the holder of the indebtedness secured by such encumbrance should give notice to County of the existence thereof and the address thereof, then County will deliver to such holder, at such address, a duplicate copy of all notices of default or other notices in writing which County may, from time to time, give or serve on Lessee under and pursuant to the provisions of this lease. Copies of such notices shall be mailed and delivered to such holder at, or as near as possible to, the same time such notices are given to or served on Lessee. Such holder may, at its option and at any time before the rights of Lessee under this lease shall be terminated as hereinafter provided for, pay any of the rents due hereunder or do any other act or thing that may be necessary and proper to be done in observance of the terms and conditions of this lease or to prevent the termination hereof. All payments so made, and all things so done and performed by such holder shall be as effective to prevent a termination of the rights of Lessee under this lease as if the same would have been done and performed by the Lessee.

### **23. 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 County 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.

**24. 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 County under County'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.

**25. ABANDONMENT**

If Lessee abandons the leased property or any part thereof, Lessee shall be in default of this lease and County 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.

**26. 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 County 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.,
- b. Upon the breach of any of Lessee's other duties and obligations under this lease, which breach can be cured.,

**27. REMEDIES ON DEFAULT**

a. County's Right to Terminate Lease

Upon Lessee's default of this lease, County shall have the right 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, County and Lessee agree that the "reasonable rental value" shall be the amount of rent, which County can obtain as rent for the balance of the lease term.

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

Upon Lessee's default under this lease, County shall also have the right 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 County, in good faith, may deem proper, for a term not exceeding the unexpired period of the full term of this lease. County 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 County in the operation or reletting of the leased property and any alterations or repairs reasonably necessary to enable County 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, shall be paid over to Lessee. In the event proceeds from rentals received by County 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 County, on demand by County, such deficiency as may from time to time occur or exist. Notwithstanding any such operation or reletting without terminating this lease, County may, at any time thereafter, elect to terminate this lease in the event that Lessee remains in default hereunder at such time.

c. County's Right to Perform

Notwithstanding any provisions as to notice of default in this lease to the contrary, if, in County'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 County, County 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 County, with interest at the rate of 10% per annum, upon 30 days'.

d. Other Remedies

All rights, options, and remedies of County contained in this lease shall be construed and held to be cumulative and not one of them shall be exclusive of the other, and County 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.

**28. WAIVER OF DEFAULT**

Any waiver by County 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.

**29. COUNTY’S RIGHT OF ENTRY**

Lessee shall permit County and any agents and employees of County 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.

**30. EFFECT OF HOLDING OVER**

Any holding over after the expiration of the [initial or any extended] term of this lease, with the consent of County, shall be construed to be a tenancy from month-to-month by Lessee pursuant to the terms of this lease and shall otherwise be subject to the covenants and conditions herein provided by this lease, insofar as applicable. Holdover rent shall be the rental rate paid by the Lessee immediately prior to the expiration date plus 10%.

**31. 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 County: County of Glenn  
Attention: Director of Public Works  
P.O. Box 1070  
Willows, CA 95988

b. To Lessee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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.

**32. AMENDMENTS**

This lease may be modified or amended only by a writing duly authorized and executed by both County 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.

**33. 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 County of Glenn, State of California, on the date first set forth above.

COUNTY OF GLENN

LESSEE

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
County Director of Public Works

By: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
, County Counsel