**Exhibit ­­­­\_\_\_\_\_**

**Instructions for completing the Insurance Exhibit:**

1. **Substitute “Operator” for “Tenant” if this is an operating agreement for a subtenant.**
2. **Substitute “Agreement” for “Lease” if this is an operating agreement for a subtenant.**
3. **Fill in the appropriate limits from the Minimum Insurance Requirements Chart. If the operations pose above-average risk, consider increasing the limits.**

Tenant shall maintain and require its subcontractors and agents to maintain insurance as described below in accordance with the Minimum Standards unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

County reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Lease or failure to identify any insurance deficiency shall not relieve Tenant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the term of this Lease or any extensions of the term.

1. **Workers Compensation Insurance & Employers Liability Insurance**
   1. Required if Tenant has employees.
   2. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
   3. Employers Liability with limits of $1,000,000 per Accident; $1,000,000 Disease per employee; $1,000,000 Disease per policy.
   4. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against County.
   5. *Required Evidence of Insurance*:
      1. Subrogation waiver endorsement; and
      2. Certificate of Insurance.

If Tenant currently has no employees, Tenant agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should any employees be engaged during the term of this Lease or any extensions of the term.

1. Airport/Aviation Commercial General Liability Insurance
   1. Minimum Limits: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ per Occurrence; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_General Aggregate; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Products/Completed Operations Aggregate. If Tenant maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Tenant.
   2. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $25,000 it must be approved in advance by County. Tenant is responsible for any deductible or self-insured retention and shall fund it upon County’s written request, regardless of whether Tenant has a claim against the insurance or is named as a party in any action involving the County.
   3. The County of Sonoma, its officers, agents and employees shall be endorsed as additional insureds for liability arising out of Tenant’s occupancy, maintenance or use of the premises.

**Substitute the following for c. if this is an operating agreement for a subtenant. Do not leave both versions of c. in the agreement.**

* 1. The County of Sonoma, its officers, agents and employees shall be endorsed as additional insureds for liability arising out of Operator’s ongoing operations at the premises.
  2. The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
  3. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against County.
  4. The policy shall cover inter-insured suits between County and Tenant and include a “separation of insureds” or “severability” clause which treats each insured separately.
  5. Required Evidence of Insurance:
     1. Additional insured endorsement or copy of policy language granting additional insured status;
     2. Endorsement or policy language indicating that insurance is primary and non-contributory;
     3. Subrogation waiver endorsement; and
     4. Certificate of Insurance.

1. Hangarkeepers Legal Liability *(Required if Tenant stores or has care, custody or control of customers’ aircraft.)*
   1. Minimum Limits: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Each Aircraft; \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Each Occurrence.
   2. *Required Evidence of Insurance:* Certificate of Insurance.
2. Automobile Liability Insurance
   1. Minimum Limit: $\_\_\_\_\_\_\_\_\_\_\_\_ combined single limit per accident.
   2. Insurance shall apply to all owned autos. If Tenant currently owns no autos, Tenant agrees to obtain such insurance should any autos be acquired during the term of this Lease or any extensions of the term.
   3. Insurance shall apply to all hired and non-owned vehicles.
   4. Required Evidence of Insurance: Certificate of Insurance.
3. **Aircraft Liability Insurance** *(Required if Tenant operates owned or non-owned aircraft.)*
   1. Aircraft Liability Insurance covering each aircraft owned by or leased to Tenant.
   2. Aircraft Liability Insurance covering non-owned aircraft. *(Required if Tenant operates non-owned aircraft.*
   3. Minimum Limits: \_\_\_\_\_\_\_\_\_\_\_\_\_ combined single limit, \_\_\_\_\_\_\_\_\_\_\_\_\_ sublimit per seat/passenger. If Tenant maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Tenant.
   4. County of Sonoma, its officers, agents and employees shall be endorsed as additional insureds for liability arising out of the operation of aircraft owned by or leased to Tenant.
   5. *Required Evidence of Insurance:*
      1. A Copy of the additional insured endorsement or policy language granting additional insured status;dditional insured endorsement or policy language granting additional insured status;
      2. Endorsement or policy language indicating that insurance is primary and non-contributory; and
      3. *Certificate of Insurance*.
4. Certified Flight Instructors Professional Liability Insurance *(Required if Tenant provides flight instruction.)*
   1. Minimum Limits: $100,000 per passenger; $1,000,000 per occurrence.
   2. *Required Evidence of Insurance*: Certificate of Insurance.
5. Non-Owned Aircraft Liability Insurance for Students and Renters *(Required if Tenant’s operations include aircraft rental or flight instruction in its own aircraft.)*
   1. Minimum Limits: $500,000 each occurrence; $100,000 passenger sub-limit.
   2. *Required Evidence of Insurance:* Certificate of Insurance.
6. Pollution/Environmental Liability Insurance *(Required if Tenant provides fuel service to others or engages in self-fueling.)*
   1. Minimum Limits: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ per pollution condition. If Tenant maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Tenant.
   2. The County of Sonoma, its officers, agents and employees shall be endorsed as additional insureds.
   3. If Tenant maintains higher limits than the minimums specified above, County requires and shall be entitled to coverage for the higher limits maintained by the Tenant.
   4. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $25,000 it must be approved in advance by County. Tenant is responsible for any deductible or self-insured retention and shall fund it upon County’s written request, regardless of whether Tenant has a claim against the insurance or is named as a party in any action involving the County.
   5. Coverage provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
   6. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against County.
   7. *Required Evidence of Insurance:*
      1. Additional insured endorsement or policy language granting additional insured status;
      2. Endorsement or policy language indicating that insurance is primary and non-contributory;
      3. Subrogation waiver endorsement; and
      4. Certificate of Insurance.
7. Property Insurance for Business Personal Property and Tenant’s Improvements (Delete this section if this is an operating agreement with a subtenant.)
   1. Property insurance on a “special form” or “all risks” basis.
   2. Minimum Limit: the full current combined replacement cost of Tenant’s business personal property and Tenant’s improvements.
   3. The insurance shall apply on a replacement cost basis, without deduction for depreciation.
   4. Tenant shall disclose any deductible or self-insured retention in excess of $25,000 and such deductible or self-insured retention must be approved in advance by County. Tenant is responsible for any deductible or self-insured retention.
   5. *Required Evidence of Insurance*: Certificate of Insurance or Evidence of Commercial Property Insurance.
8. Standards for Insurance Companies

Insurers shall have an A.M. Best's rating of at least A:VII.

1. Documentation
   1. The Certificate of Insurance shall include the following reference: [insert location or other identifier].
2. All required Evidence of Insurance shall be submitted prior to the execution of this Lease.
3. The name and address for Additional Insured endorsements and Certificates of Insurance is: County of Sonoma, its officers, agents and employees, c/o Airport Manager, Charles M. Schulz – Sonoma County Airport, 2290 Airport Boulevard, Santa Rosa, CA 95403.
4. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
5. Tenant shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
6. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.
7. Policy Obligations

Tenant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

1. Material Breach

If Tenant fails to maintain insurance which is required pursuant to this Lease, it shall be deemed a material breach of this Lease. County, at its sole option, may terminate this Lease and obtain damages from Tenant resulting from said breach. Alternatively, County may purchase such required insurance and Tenant shall immediately reimburse County for any premium costs advanced by County for such insurance. These remedies shall be in addition to any other remedies available to County.