

**FIRST AMENDMENT TO
LEASE BETWEEN COUNTY OF CONTRA COSTA
AND
VALLEY RELOCATION AND STORAGE OF NORTHERN CALIFORNIA, INC.**

This first amendment is dated _____, 2012 and is between the County of Contra Costa, a political subdivision of the State of California ("**Lessor**"), and Valley Relocation and Storage of Northern California, Inc., a California corporation ("**Tenant**").

Recitals

- A. Lessor and Tenant are parties to a lease dated January 19, 2010, under which Tenant is leasing approximately 1.95 acres of land at Buchanan Field Airport on which two modular office buildings are located (the "**Lease**").
- B. The parties desire to amend the Lease to permit additional extension periods, modify the rent, require that Tenant pay all registration fees associated with the modular buildings, and require Tenant to enter into a license agreement with Lessor if signage on the Premises is used to generate income.

The parties therefore agree as follows:

Agreement

- 1. Unless otherwise defined herein, defined terms have the meaning ascribed to them in the Lease.
- 2. Section 3, Term is deleted in its entirety and replaced with the following:
 - A. Term: The "**Term**" of this lease is comprised of an initial term and, with the concurrence of the Director of Airports, extension terms. The initial term commences on January 19, 2010, (the "**Commencement Date**") and ends on December 31, 2012.
 - B. Optional Extensions: Tenant has eight (8) options to extend this lease for a term of five (5) years for each option (each an "**Extension Period**") upon all the terms, covenants and conditions set forth herein, provided (i) Tenant is not in default beyond any applicable cure period as of the commencement of the Extension Period, and (ii) Tenant is not in default on the day an Extension Request, as defined below, is given.

No earlier than the beginning of the second (2nd) year of the initial term, and no later than June 30th of the initial term, Tenant may request that this lease be extended for five (5) years (the "**First Extension Period**") by giving the County written notice of its desire to extend the Term (an "**Extension Request**"). The Extension Request will be deemed received by the County upon the Director of Airport's execution of an acknowledgment of receipt of the Extension Request. The Director of Airports, in his or

her sole discretion may, but is not required to, approve the Extension Request. The Director of Airports will respond in writing to Tenant within sixty (60) days after receipt of the Extension Request. Failure of the Director of Airports to respond in writing within sixty (60) days constitutes a denial of the Extension Request.

No earlier than the beginning of the third (3rd) year of the First Extension Period, and no later than the end of the fourth (4th) year of the First Extension Period, Tenant may request that this lease be extended for a second five (5) year period (the “**Second Extension Period**”) by following the same procedures set forth above.

No earlier than the beginning of the third (3rd) year of the Second Extension Period, and no later than the end of the fourth (4th) year of the Second Extension Period, Tenant may request that this lease be extended for a third five (5) year period (the “**Third Extension Period**”) by following the same procedures set forth above.

No earlier than the beginning of the third (3rd) year of the Third Extension Period, and no later than the end of the fourth (4th) year of the Third Extension Period, Tenant may request that this lease be extended for a fourth five (5) year period (the “**Fourth Extension Period**”) by following the same procedures set forth above.

No earlier than the beginning of the third (3rd) year of the Fourth Extension Period, and no later than the end of the fourth (4th) year of the Fourth Extension Period, Tenant may request that this lease be extended for a fifth five (5) year period (the “**Fifth Extension Period**”) by following the same procedures set forth above.

No earlier than the beginning of the third (3rd) year of the Fifth Extension Period, and no later than the end of the fourth (4th) year of the Fifth Extension Period, Tenant may request that this lease be extended for a sixth five (5) year period (the “**Sixth Extension Period**”) by following the same procedures set forth above.

No earlier than the beginning of the third (3rd) year of the Sixth Extension Period, and no later than the end of the fourth (4th) year of the Sixth Extension Period, Tenant may request that this lease be extended for a seventh five (5) year period (the “**Seventh Extension Period**”) by following the same procedures set forth above.

No earlier than the beginning of the third (3rd) year of the Seventh Extension Period, and no later than the end of the fourth (4th) year of the Seventh Extension Period, Tenant may request that this lease be extended for an eighth five (5) year period (the “**Eighth Extension Period**”) by following the same procedures set forth above.

Failure to deliver an Extension Request within the timeframe set forth above constitutes a waiver of Tenant’s right to request an extension.

Upon commencement of an Extension Period, all references to the Term of this lease will be deemed to mean the Term as extended pursuant to this Section.

3. Section 5. Rent is deleted in its entirety and replaced with the following:

Rent. Tenant shall pay rent to Lessor monthly in advance on the first day of each month during the Term in the amounts set below. Rent for any partial month will be prorated and computed on a daily basis with each day's rent equal to one-thirtieth (1/30) of the month rent.

<u>Period Beginning</u>	<u>Monthly Rent</u>
January 19, 2010	\$ 9,800.00
January 19, 2011	\$ 9,966.60
January 19, 2012	\$ 10,265.60
January 1, 2013	\$ 9,800.00

Commencing January 1, 2014 and annually each year thereafter throughout the Term and any hold over period, Lessor, without prior notice to Tenant, will revise the rent then in effect based on the CPI Factor, as defined below (each such adjustment, a "**CPI Adjustment**"). A CPI Adjustment may not exceed 4% per annum of rent then in effect. The CPI Factor may not be applied to reduce rent below the then existing rent. In the event there is a decrease in the CPI, rent for the year in question will be the same as the rent for the preceding year. In no event will the rent for any year be less than the rent in effect for the immediately preceding year.

The "**CPI Factor**" means the percentage by which the "Index" (as defined below) as of any adjustment date has increased over the Index in effect as of the immediately preceding adjustment date, calculated to the nearest one-tenth of one percent. The term "**Index**" means the Consumer Price Index, all Urban Consumers and San Francisco, Oakland, San Jose, CPI Index. All Items (1982-84 = 100), published by the United States Department of Labor, Bureau of Labor statistics, or any successor or substitute index published as a replacement for that Index by said Department or by any other United States governmental agency.

Lessor will notify Tenant of any increase in monthly rent when Lessor completes the calculation of increased rent. If such notice is given after the effective date of the increase, Tenant will pay any increased monthly rent retroactively to the effective date of the increase.

4. Section 6. Additional Payment Provisions is hereby amended by adding the following:

E. Modular Office Building Registration Fees: During the Term, Tenant shall pay all registration fees associated with the modular office buildings that are located on the Premises by making payments either: (i) directly to the State of California Department of Housing and Community Development, or its successor, (ii) directly to the County Treasurer Tax Collector or (iii) to Lessor.

5. Section 10. Advertising and Signage is deleted in its entirety and replaced with the following:

Tenant, at Tenant's sole cost and expense, may only erect and maintain on the Premises such sign or signs ("**Signage**") of the type, style, size, design, and location permitted and approved in writing by the Director of Airports. All Signage must be consistent with the written sign policy of the Airport and in compliance with all applicable laws, rules, ordinances, and regulations and required approvals, authorizations, and permits, prior to erecting any Signage. Any on-site Signage must be prepared by a professional sign company or advertising organization. County reserves the right to disapprove any of Tenant's Signage and to require Tenant to remove any Signage. If Signage is used to generate revenue for Tenant (e.g., as advertising for another business), Tenant shall enter into a license agreement with Lessor. Such license agreement will be the Lessor's then-standard license agreement. Under the license agreement, Tenant and Lessor will share any revenue generated by Signage on the Premises.

If Tenant does not erect Signage by January 1, 2015, Lessor may erect and maintain Signage on the Premises of the type, style, size, design, and location that is mutually agreed upon in writing by Lessor and Tenant. Installation and maintenance expenses of any such Signage is to be borne by Lessor.

Tenant and Lessor will enter into a separate agreement if a sign is erected on the Premises by either party to address location, cost, rent, and other relevant factors.

All other terms of the Lease remain unchanged.

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The parties are signing this First Amendment as of the date first set forth above.

LESSOR

CONTRA COSTA COUNTY
Subdivision of the State of California

By: _____
Keith Freitas
Director of Airports

RECOMMENDED FOR APPROVAL:

By: _____
Beth Lee
Assistant Director of Airports

By: _____
Karen Laws
Principal Real Property Agent

APPROVED AS TO FORM:
Sharon L. Anderson, County Counsel

By: _____
Kathleen M. Andrus
Deputy County Counsel

TENANT

**Valley Relocation and Storage of
Northern California**, a California
corporation

By: _____
James T. Robson
President

By: _____
Mark Robson
Vice President

Note: Two officers must sign on behalf of a corporation. One signature must be that of the chairman, president, or vice present. The other must be that of the secretary, assistant secretary, chief financial officer or assistant controller.