

ESTOPPEL CERTIFICATE AND CONSENT TO ENCUMBRANCE

This Estoppel Certificate and Consent to Encumbrance ("Consent") is effective as of _____, 2016 (the "Effective Date"), and is between the County of Contra Costa, a political subdivision of the State of California ("Landlord"), and Scott Valley Bank, a California banking corporation (collectively with all of its successors and assigns, "Lender"), and is acknowledged by Michael J. Oakes ("Tenant") in connection with the following facts:

RECITALS

A. Landlord is the landlord under that certain Airport Lease Agreement dated as of December 10, 1991, as amended and restated in its entirety by the Amended and Restated Lease between Landlord, as lessor, and Tenant, as lessee, dated June 21, 2016 (the "Lease"), for the use and development of certain real property commonly known as 1500 Sally Ride Drive, which is located at Buchanan Field Airport, Concord, California (the "Premises"). The Premises has been improved with the construction of a hangar that is used for aircraft storage and related aviation activities, as more particularly set forth in the Lease (the "Improvements"). Tenant became the Tenant under the Lease on the Effective Date pursuant to an Assignment of Lease Agreement dated January 5, 2016, to which the Landlord's governing body granted its consent on the Effective Date.

B. Tenant has obtained, or is in the process of obtaining a loan from Lender to provide permanent financing in connection with the Lease and the Premises pursuant to a Business Loan Agreement dated as of _____, 2016, and related security and other loan documents (collectively, the "Credit Documents"). Pursuant to the Credit Documents, Tenant will grant or granted liens and security interests to and for the benefit of Lender, including without limitation a Deed of Trust ("Deed of Trust") covering Tenant's interest in the Lease, an Assignment of Leases (the "Assignment") covering Tenant's subleases, if any, under the Lease, and a security interest in all personal property owned and/or leased by Tenant in connection with the use and operation of the Improvements (the "Collateral").

C. As a condition of the financial considerations being extended to Tenant by Lender, Lender requires that Landlord execute and deliver this Consent to Lender.

ESTOPPEL CERTIFICATE

1. Landlord is the lessor under the Lease with Tenant, a true and complete copy of which is attached hereto as Exhibit "A."
2. The Lease is in full force and effect and has not been amended, modified, supplemented or superseded except for the amendments attached hereto as part of Exhibit "A."
3. To the best of Landlord's knowledge, Tenant is not in default under the Lease, and no event has occurred which, with the giving of notice or the lapse of time, or both, would constitute a default of Tenant under the Lease.
4. As of the date of this Consent, monthly rent under the Lease is \$2,313. The term of the Lease expires on June 20, 2046.

5. To the best of Landlord's knowledge, there is no defense, offset, claim or counterclaim by or in favor of Landlord against Tenant under the Lease or against the obligations of Landlord under the Lease.
6. To Landlord's actual knowledge, no notices of a prior sale, transfer, assignment, hypothecation or pledge of the Lease by Tenant except the Deed of Trust have been received by Landlord.

CONSENT TO LEASEHOLD MORTGAGE

7. Landlord hereby acknowledges that Lender is a "mortgagee" as that term is used and defined in the Lease, and that Lender is entitled to all of the rights and obligations of a Mortgagee pursuant to the Lease. Landlord consents to the encumbrance effected by the Deed of Trust, the Assignment and the related security documents, and further consents to the assignment or transfer of the Lease to Lender, but only (i) to Lender, or (ii) to any purchaser at a sale held in connection with the foreclosure of the lien of such Deed of Trust or the execution of a deed in lieu of foreclosure, or (iii) to any purchaser from Lender's acquisition of the Lease by foreclosure or otherwise, and agrees to recognize Lender or such purchaser as the lessee under the Lease, provided such entity expressly assumes all of the obligations of Tenant under the Lease. Notwithstanding anything to the contrary set forth in the Lease, the granting of such Deed of Trust by Tenant shall not constitute a breach of or default under the Lease. If the granting of such Deed of Trust is deemed an assignment pursuant to applicable law or under the Lease, such assignment shall not be deemed by Landlord to be in violation of or a default under the Lease. Nothing herein shall be deemed to modify any of the terms and conditions of the Lease, which shall remain in full force and effect in accordance with its terms.
8. Landlord's consent herein shall not be construed or implied to be a consent to any other matter, other than as set forth in this Consent, for which Landlord's consent is required under the Lease.
9. Landlord shall send to Lender a copy of any notice of default under the Lease sent by Landlord to Tenant and shall allow Lender to cure such default under the same terms as would apply to Tenant. Landlord shall not terminate the Lease so long as Lender cures any defaults under the Lease and complies with all provisions of the Lease and this Consent. Landlord agrees to accept any such cure by Lender with the same force and effect as if timely made by Tenant.
10. Lender shall not be liable for defaults of Tenant under the Lease; provided, however, that upon taking actual possession of the Premises, Lender shall cure all lease payment defaults of Tenant under the Lease which occurred prior to the date on which Lender takes actual possession of the Premises by foreclosure or otherwise and Lender shall thereafter perform the obligations of the Lessee under the Lease during Lender's possession. Lender shall not incur any liability for any default under the Lease occurring after the date on which it either sells or transfers the Premises by foreclosure or otherwise provided that such buyer or transferee of the Premises assumes in writing all of the obligations of Tenant under the

Lease occurring after the date of such sale or transfer of the Premises.

11. The Collateral is limited to those items of personal property, equipment and trade fixtures of Tenant. Notwithstanding anything set forth in the Lease to the contrary, Tenant's grant of a security interest in the Collateral shall not constitute a default under or violation of the Lease.
12. Tenant and Lender understand and agree that (a) Landlord is not a party to any of the Credit Documents; (b) Landlord is not obligated in any way to Lender under the Credit Documents or the loan thereunder; (c) Landlord's execution of this Consent does not constitute approval by Landlord of any of the provisions of the Credit Documents or any other agreements thereto or therewith, nor shall the same be construed to amend the Lease in any respect, any purported modifications being solely for the purpose of setting forth the rights and obligations as between Tenant and Lender, but not binding Landlord.
13. All notices, requests, demands and other communications provided for hereunder shall be in writing and mailed or telephoned or delivered to the applicable party at the addresses indicated below:

If to Landlord:

Contra Costa County
Director of Airports
Buchanan Field Airport
550 Sally Ride Drive
Concord, CA 94520-5550
Telephone: 925-646-5722
Facsimile: 925-646-5731

If to Lender:

Wim-Kees van Hout, Vice President
Scott Valley Bank
590 Ygnacio Valley Road, Suite 101
Walnut Creek, CA 94596
Telephone: 925-944-0180 ext. 217
Facsimile: 925-944-2220

With a copy to Tenant:

Michael J. Oakes
1500 Sally Ride Drive
Concord, CA 94520

or, as to each party, at such other address as shall be designated by such parties in a written notice to the other parties complying as to delivery with the terms of this paragraph. All

such notices, requests, demands and other communication shall be deemed given upon the earlier to occur of (i) the third day following deposit hereof in the United States mail, (ii) receipt or refusal by the party to whom such notice is directed, or (iii) the date set forth on the confirmation of transmission (if sent by facsimile).

14. The above certifications and agreements are made to you knowing that you will rely thereon in making advances under the modification to the Credit Agreement. This Consent shall be binding upon and shall inure to the benefit of Landlord and Lender and their respective successors, administrators and assigns. This Consent shall be governed by and construed in accordance with the laws of the State of California.
15. This Consent may be executed in one or more counterparts, each of which shall be deemed a duplicate original, but all of which together shall constitute one and the same instrument.
16. No party hereto has relied on any promise or representation not contained in this Consent. All previous conversations, negotiations, and understandings are of no further force or effect. This Consent contains all of the agreements of the parties hereto and cannot be amended or modified except by a written agreement signed by all parties hereto.

In witness whereof, the parties are signing this Consent as of the day and year first above written.

LANDLORD

COUNTY OF CONTRA COSTA, a
political subdivision of the State of
California

By: _____

Its: Director of Airports

LENDER

SCOTT VALLEY BANK

By: _____

Its: _____

APPROVED AS TO FORM:

Sharon L. Anderson
County Counsel

By: _____
Kathleen M. Andrus
Deputy County Counsel

TENANT

MICHAEL J. OAKES

By: 
Michael J. Oakes