

**SECOND AMENDMENT TO
AMENDED AND RESTATED LEASE
BETWEEN COUNTY OF CONTRA COSTA
AND
PACIFIC STATES AVIATION, INC.**

This second amendment ("**Second Amendment**") is dated as of January 7, 2018 (the "**Effective Date**") and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California ("**Lessor**"), and PACIFIC STATES AVIATION, INC. ("**Tenant**").

Recitals

A. Lessor and Tenant are parties to the Amended and Restated Lease dated February 28, 2006, as amended (the "**Lease**"), pursuant to which Tenant leased from Lessor the real property commonly known as 51 John Glenn Drive, Concord, California, as more fully described in Exhibit A-1 ("**Location No. 1**").

B. The parties desire to amend the Lease to change the definition of "Premises" to include not only Location No. 1, but the real property located at 101 John Glenn Drive, Concord, California, which consists of approximately 3.58 acres of land and is more particularly described in Exhibit A-2 ("**Location No. 2**"). Together, Location No. 1 and Location No. 2 are the "**Premises**."

C. Tenant acknowledges that it is taking Location No. 2 in its "as is" condition and that portions of it may be occupied by one or more persons who are former licensees of the County (each a "**Licensee**"). The County has issued a notice to each Licensee, terminating each Licensee's license, effective immediately prior to the Effective Date. Each Licensee and the area occupied under the license by each is set forth on Exhibit E.

The parties therefore agree to amend the Lease as follows:

Agreement

1. All capitalized terms not defined in this Second Amendment have the meaning ascribed to them in the Lease.
2. Tenant is taking Location No. 2 in its "as is" condition. If a Licensee continues to occupy any portion of Location No. 1, it is Tenant's responsibility to enter into a sublease agreement with the Licensee or to take steps to regain possession from the Licensee.
3. Section 2. Purpose is deleted in its entirety and replaced with the following:

2. **PURPOSE**

Lessor owns and operates at Buchanan Field, a public airport located at Concord, California, (the "**Airport**"), as shown on the Airport Layout Plan, which plan is on file in the office of the Contra Costa County Director of Airports ("**Director of Airports**"). Tenant desires to lease Location No. 1 and Location No. 2 from Lessor for the purpose of operating a Full-Service Fixed Base Operation (as defined in Section 11).

4. Section 3. Premises is deleted in its entirety and replaced with the following:

5. **PREMISES**

For and in consideration of the rent, fees, and faithful performance by Tenant of the terms and conditions and the mutual covenants hereof, Lessor hereby leases to Tenant, and Tenant hereby leases from Lessor the **Premises**, subject to all easements and encumbrances of record. A site plan that depicts the location of the Premises on the Airport is attached as Exhibit B.

6. Section 4. Term is deleted in its entirety and replaced with the following:

4. The "**Term**" of the Lease is (i) with respect to Location No. 1, forty (40) years, commencing March 1, 2006 (the "**Commencement Date**") and expiring February 28, 2046, and (ii) with respect to Location No. 2, approximately twenty-eight (28) years, commencing on the Effective Date and expiring February 28, 2046.

7. Section 6. Lease Extension Payment is deleted in its entirety.

8. Section 7. Ground Rent is deleted in its entirety and replaced with the following:

7. **GROUND RENT**

- A. Commencing on the Effective Date and continuing on the first day of each month thereafter, Tenant shall pay ground rent as set forth below ("**Ground Rent**"), to Lessor without offset or demand. Ground Rent for any partial month will be prorated at the rate of 1/30th of the applicable rent per day.

- (i) Initial Rent. For the period beginning on the Effective Date and ending on February 28, 2018, Ground Rent is equal to Thirteen Thousand Eighty-Seven and No/100 Dollars (\$13,087.00) per month.

- (ii) CPI Increases. With the exception of the years that begin on a Revaluation Date, as defined below, on March 1 of each year beginning March 1, 2018, and continuing throughout the Term of this Lease, Ground Rent will be increased (or remain unchanged, but not decreased), according to the change in the Consumer Price Index ("**CPI**") for the most recent one-year period ending December 31, based on the CPI Factor, as defined in Section 7.B.
- (iii) Periodic Revaluation. Ground Rent will be adjusted in accordance with the revaluation process described in Section 7.C. on March 1, 2026, and March 1, 2036 (each such date a "**Revaluation Date**").
- (iv) No Decrease in Ground Rent. In no event will the Ground Rent for any year be less than the Ground Rent in effect for the immediately preceding year. In the event there is a decrease in the CPI or in the fair market rental value of the Premises, Ground Rent for the year in question will be the same as the Ground Rent for the preceding year.

B. Consumer Price Index Rent Adjustment. The "**CPI Factor**" means the percentage by which the "Index," as defined below, for the most recent one-year period ending December 31 has increased over the Index in effect for the immediately preceding one-year period, calculated to the nearest one-tenth of one percent. The term "**Index**" means the Consumer Price Index, all Urban Consumers, All Items, for the San Francisco-Oakland-San Jose Metropolitan Area (1982-84 = 100), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or its successor or a substitute index published as a replacement for that index by said Department or by any other United States government agency.

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

C. Revaluation of Ground Rent. The revaluation of Ground Rent will be based on the fair market rental value of the Premises without any improvements, using the Revaluation Process, defined below. Lessor shall initiate the Revaluation Process prior to each Revaluation Date. Ground Rent established through the Revaluation Process is subject to adjustment for changes in the CPI Factor in accordance with Section 7.B., other than in those years that begin on a Revaluation Date.

- (1) Conditions of Revaluation. The revaluation of Ground Rent, including any appraisals prepared as part of the Revaluation Process, will be conducted as follows:
- a) All negotiations and actions taken by Lessor and Tenant under this Section will be undertaken and conducted by the parties in good faith.
 - b) If the Revaluation Process is not concluded by the Revaluation Date, the Ground Rent determined by the Revaluation Process described herein will be retroactive to the Revaluation Date to which the Revaluation Process applies. Tenant shall make any retroactive payments of Ground Rent no later than thirty (30) days following the completion of the Revaluation Process.
 - c) Except as otherwise provided herein, no waiver by Lessor of any of the provisions of this Section will be deemed to have been made by Lessor, unless made expressly in writing by the Director of Airports and no waiver by Tenant will be deemed to have been made unless made expressly in writing by the duly authorized agent of Tenant.
 - d) All time periods specified in this Section will be counted in calendar days.
- (2) Revaluation Process. The “**Revaluation Process**” consists of the following:
- a) Lessor shall determine the fair market rental value of the Premises (the “**Lessor Revaluation**”) and shall notify Tenant in writing of the amount of the new monthly Ground Rent (the “**Revaluation Notice**”).
 - b) If Tenant disagrees with the Lessor Revaluation, Tenant may file with Lessor a dispute of the amount of the Lessor Revaluation (“**Tenant Dispute**”) and include Tenant’s proposed Ground Rent revaluation amount. The Tenant Dispute must be in writing and delivered to the Director of Airports no later than twenty-one (21) days after the Revaluation Notice is delivered to Tenant (the “**Dispute Period**”). If Tenant does not file a Tenant Dispute with Lessor within the Dispute Period: (i) the Lessor Revaluation will automatically be deemed to be accepted by Tenant, (ii) Tenant will be deemed to have waived the right to contest the amount specified in the Revaluation

Notice, (iii) the new Ground Rent specified in the Revaluation Notice will become effective on the applicable Revaluation Date, and (iv) the Revaluation Process will be over.

- c) If Tenant delivers a Tenant Dispute to Lessor within the Dispute Period, Lessor and Tenant will have twenty-one (21) days following Lessor's receipt of the Tenant Dispute to attempt to establish a new Ground Rent by negotiation (the "**Rent Negotiation Period**"). The Rent Negotiation Period may not be extended beyond the initial twenty-one (21) day period except by mutual written agreement of Tenant and the Director of Airports. If Tenant and Lessor agree in writing on the new monthly Ground Rent during the Rent Negotiation Period, the new monthly Ground Rent will become effective on the applicable Revaluation Date and both Lessor and Tenant will be deemed to have waived the right to contest such new Ground Rent.
- d) If Lessor and Tenant are unable to agree upon a new Ground Rent during the Rent Negotiation Period, then Lessor and Tenant shall each appoint an appraiser to determine the fair market value of the Premises. Lessor and Tenant shall identify the name of their appraiser by written notice to the other party. The appointment of the appraiser will be made and notice of the appointment will be given to the other party within twenty-one (21) days after the end of the Rent Negotiation Period (the "**Selection Period**"). Each appraiser must be a member of the American Institute of Real Estate Appraisers, have the designation of Member of the Appraisal Institute ("**MAI**"), and have current aviation appraisal experience in appraising property in the geographic area where the Premises is situated. Each party is responsible for paying the fees and costs of its appraiser.

In the event that Tenant does not appoint an appraiser and provide Lessor with written notice of the appointment within the Selection Period: (i) the initial Lessor Revaluation will automatically be deemed to be accepted by Tenant, (ii) the new monthly Ground Rent, specified in the Revaluation Notice will become effective on the applicable Revaluation Date, (iii) Tenant will be deemed to have waived the right to further contest the amount of the Lessor Revaluation by arbitration or in any other manner, and (iv) the Revaluation Process will be over.

In the event that Lessor does not appoint an appraiser and provide Tenant with written notice of the appointment within the Selection Period:, (i) the monthly Ground Rent will remain unchanged or will equal the fair market rental value determined by Tenant's appraiser, whichever is greater, (ii) such monthly Ground Rent will become effective on the applicable Revaluation Date, (iii) Lessor will be deemed to have waived the right to contest the amount of the new monthly Ground Rent by arbitration or in any other manner, and (iv) the Revaluation Process will be over.

If Lessor and Tenant each properly appoint an appraiser during the Selection Period, both appraisers will make an independent determination of the fair market rental value of the Premises. Each appraisal must be completed and a copy of the appraisal report delivered to the other party no later than sixty (60) days from the date the appraiser was appointed (the "**Appraisal Period**") unless otherwise extended by the mutual agreement of Lessor and Tenant.

Upon completion of both appraisals, Lessor and Tenant shall make a final attempt to establish a new monthly Ground Rent by negotiation. If Lessor and Tenant agree in writing on a new monthly Ground Rent, the new monthly Ground Rent will become effective on the applicable Revaluation Date and both Lessor and Tenant will be deemed to have waived the right to contest such new Ground Rent.

- e) In the event that Lessor and Tenant cannot agree on a revaluation of the monthly Ground Rent within thirty (30) days following the Appraisal Period, either Lessor or Tenant may declare an impasse in the negotiations by providing written notice of the impasse to the other party. The written notice of impasse (the "**Final Proposal**") will include all of the following information: (i) a statement that the declaring party has determined that negotiations have reached an impasse; (ii) the declaring party's final proposed Ground Rent revaluation figure; (iii) a statement that the recipient has ten (10) business days to either give written acceptance of the amount of the Ground Rent revaluation specified in the Final Proposal or deliver a counter-final proposal (the "**Counter-Final**").

Proposal") to the declaring party; and (iv) any other supplementary information as the declaring party deems appropriate. The party upon whom the Final Proposal is served shall then have ten (10) business days following receipt of the Final Proposal to either accept the Final Proposal or to reject the Final Proposal and deliver a Counter-Final Proposal to the declaring party. If either the Final Proposal or the Counter-Final Proposal is accepted in writing, then the new monthly Ground Rent will become effective on the applicable Revaluation Date and both Lessor and Tenant will be deemed to have waived the right to contest such new Ground Rent.

- f) If neither the Final Proposal nor the Counter-Final Proposal is accepted, not later than forty-five (45) days after delivery of the Final Proposal, the appraiser selected by Lessor and the appraiser selected by Tenant will jointly select a third appraiser with the designation of MAI and with current aviation appraisal experience in appraising property in the geographic area where the Premises is situated. The third appraiser will determine the fair market value of the Premises. The third appraiser will render a final written decision within thirty (30) days of his appointment. The cost of the third appraiser will be shared equally by Lessor and Tenant. The appraiser's decision is binding on all parties and will apply retroactively to the Revaluation Date.

- 9. Section 11. Use of Premises is deleted in its entirety and replaced with the following:

11. USE OF PREMISES

The Premises shall be used for the operation of a "Full-Service Fixed Base Operation" and for no other purpose. For purposes of this Lease, a "Full-Service Fixed Base Operation" is defined as a major airport aviation business granted the privilege of providing a wide range of aviation related sales and services to the general aviation public, as well as the obligation to provide a number of basic services necessary to support general aviation aircraft users. The minimum level of services a full-service fixed base operator will be obligated to provide are listed in Subsection 11.A. below; the permitted services a full-service fixed base operator may offer for sale are listed in subsection 11.B. below.

- A. Minimum Services Required: In the conduct of the Full-Service Fixed Base Operation hereunder, Tenant shall provide, or cause to be

provided by others, the following services for both general aviation aircraft:

- (1) Tie-down and hangar storage for general aviation aircraft, both itinerant and local.
- (2) Adequate ramp service for general aviation aircraft users, with a qualified attendant available on the ramp no less than 7 days a week, 12 hours a day.
- (3) Sale of aviation gasoline, fuel, oils, and lubricants of the kind customarily sold to general aviation users.
- (4) Maintenance, repair, and servicing of general aviation aircraft, aircraft engines, and parts.
- (5) Maintenance of an adequate inventory of the necessary aircraft parts and accessories to maintain, repair, and service general aviation aircraft.

B. Services conditionally permitted on the Premises: Tenant may, at its option, and only upon the prior written approval of the Director of Airports and subject to such conditions as the Director of Airports shall impose, offer additional services, or cause additional services to be provided by others, of the type frequently provided by the full-service fixed base operators, including, but not limited to:

- (1) Operation of a flight school with certified flight instructors and aircraft.
- (2) Aircraft rental business.
- (3) Sale of new or used aircraft, including leasing and management.
- (4) Operation of specialized commercial flying service (aerial survey, photography, and mapping services).
- (5) Operation of specialized aircraft repair services (paint shop, radio, propellers, instruments, and accessories).
- (6) Sale of any and all fuel.
- (7) Hangar rental.
- (8) Aircraft cleaning and detailing services.

- (9) Sales and services of miscellaneous aviation related equipment and services.

C. Uses permitted on the Premises: Tenant may, at its option, and only upon the prior written approval of the Director of Airports and subject to such conditions as the Director of Airports shall impose, offer additional services, or cause additional services to be provided by others, of the type frequently provided by the full-service fixed base operators, including, but not limited to:

- (1) Operation of non-scheduled air taxi and charter transportation of passengers.
- (2) Rental car operations, including automobile fuel sales and auto insurance.
- (3) Food and beverage concession.
- (4) Office Rental
- (5) Use of temporary and portable office facilities on the ramp for flight training and aviation office use

D. Service Standards: The facilities hereunder shall be operated in accordance with the Performance and Service Standards established by Lessor, as set forth in Exhibit C.

E. Limitations on Use: The provisions of this Section 11 may not be construed to authorize Tenant to conduct any business or other activity at the Airport not included in Section 11 A or B hereof.

10. Section 14. Site Improvements is deleted in its entirety and replaced with the following:

14. **SITE IMPROVEMENTS**

- A. Premises Maintenance: Tenant shall, at its sole cost and expense throughout the Term of this Lease, maintain the Premises and the Site Improvements (as defined below) in a first-class condition, ordinary wear and tear excepted. Tenant shall cause all maintenance, repairs, and replacements to be of a quality substantially equal to the original material. Lessor is the sole judge of the maintenance standards required.
- B. Five Year Capital Improvement Plan: In recognition that the lease effectively adds approximately 3.6 acres to the Premises, Tenant

shall make a minimum of \$300,000 in prescribed capital improvements (the "**Capital Investment**") to Location No. 2, as detailed in Exhibit D ("**Capital Improvement List**"). If Tenant does not perform all of the work identified on the Capital Improvement List and expend the Capital Investment by March 1, 2024, Tenant shall pay Lessor the unexpended balance of the Capital Investment, plus accrued interest on the unexpended balance at 6% per annum from the Effective Date, by August 1, 2024.

- C. Lease Maintenance Plan: In order to determine what maintenance is needed to maintain the Improvements in a "first class condition," as required by this Lease through the remaining term of the Lease, Lessor and Tenant shall conduct a joint inspection of the aircraft hangars, office space, aircraft taxi space, aircraft ramp, the parking area(s), and landscaping (together, the "**Site Improvements**") between March 1, 2035 and March 1, 2036. Tenant shall thereafter prepare an improvement plan for Location No. 1 and an improvement plan for Location No. 2, including in both plans a timeline and an itemization of each improvement to be completed by Tenant (together, the "**Maintenance Plan**"). Tenant shall submit the Maintenance Plan to the Director of Airports for approval within ninety (90) days of the joint inspection of the Premises. The work to be performed pursuant to the Maintenance Plan is the "**Maintenance Work**." Tenant shall complete all the Maintenance Work by March 1, 2042. The Maintenance Work must include, at a minimum, (i) aesthetic improvements to the two office buildings' street façades, and (ii) all upgrades in the Maintenance Plan must conform to current building codes and the building entrance and at least one bathroom must conform to current Americans with Disabilities Act ("ADA") standards.

The Maintenance Work may also include, but is not limited to, the following:

- (1) Interior and exterior building improvements, including roof, doors, windows, signage, painting, flooring, fixtures (i.e., lights, toilets and sinks), et cetera.
- (2) The replacement of asphalt, and the cut and repair of any concrete features on the aircraft ramp, excluding Area 1 as noted on site plan in Exhibit B if the entire ramp is not being removed and replaced, and in the parking lot of the Premises.
- (3) The repair, replacement, and upgrade of HVAC.

- (4) The repair, replacement and upgrade of plumbing and electrical systems in the aircraft hangars.

The Director of Airports will either approve the Maintenance Plan or provide reasons for disapproving it within thirty (30) days of receipt of the Maintenance Plan. Tenant shall cause all Maintenance Work to be completed in conformance with the Maintenance Plan approved by the Director of Airports. If at any time Lessor believes that it will require Tenant to remove the Site Improvements constructed on the Premises pursuant to Section 31, Lessor shall give Tenant prompt written notice of such belief, and thereafter Tenant will not be required to prepare the Maintenance Plan and will only be obligated to maintain the Site Improvements pursuant to this Section 13.

All Maintenance Work must comply with then-current building codes.

- D. Plans and Lessor's Approval. Tenant shall obtain the Director of Airports' written approval of all plans and specifications regarding the Maintenance Plan before any work may begin pursuant to the Maintenance Plan.
- E. Tenant Responsibility for Maintenance Work.
1. Tenant is solely responsible for obtaining all necessary permits and approvals and for paying any and all fees required for the Maintenance Work. Approval of the Maintenance Plan by the Director of Airports does not constitute a representation or warranty as to conformity with other requirements, and responsibility therefor remains at all times in Tenant.
 2. Tenant shall cause all Maintenance Work to be constructed in conformance with: (i) all requirements of Lessor, (ii) the Maintenance Plan, (iii) all applicable statutes, ordinances, building codes, Airport Policy and Standards for Development, and rules and regulations of Lessor, and (iv) the rules and regulations of all other authorities having jurisdiction over the Premises or Tenant's operations thereon, including, but not limited to, the Contra Costa County Department of Conservation and Development, the Contra Costa County Public Works Department and the Federal Aviation Administration.
- F. Performance and Payment Bonds: Not less than ten (10) working days before the commencement of construction of the Improvements, Tenant shall, at its sole cost and expense, furnish to Lessor a payment bond from a surety company licensed to transact business in the State of California, or other type of security satisfactory to the

Lessor, with Tenant's contractor or contractors as principals, in the penalty sum of one hundred percent (100%) of the total estimated cost of the construction contract or contracts for the Improvements and other necessary appurtenances specified herein, guaranteeing the payment of all labor, materials, provisions, supplies and equipment used in, upon, for or about the performance of said construction work or labor done thereon of any kind whatsoever and protecting the Lessor from any liability, losses, or damages arising therefrom. Simultaneously, Tenant shall also provide Lessor a surety bond of a surety company licensed to transact business in the State of California, or other type of security satisfactory to Lessor, with Tenant's contractor or contractors as principals, in an amount equal to one hundred percent (100%) of the total estimated amount of the construction contract or contracts for the Improvements, guaranteeing faithful performance of such construction contract or contracts. Said bonds or other security shall be in a form acceptable to Lessor and shall name Lessor as obligee and any bond shall comply with the requirements of California Civil Code Section 3248.

- G. Inspection and Acceptance: Tenant shall be responsible for obtaining any necessary permits from all Contra Costa County departments having jurisdiction over the Airport, including but not limited to, the Building Inspection Department, the Community Development Department and the Public Works Department, and all other agencies having jurisdiction over the Airport. All Improvements, including but not limited to buildings, on the Premises shall be subject to inspection, testing, and acceptance in accordance with applicable law by the Contra Costa County Public Works Department and Building Inspection Department. Nothing in this Lease shall be construed as approval by Lessor or any other governmental entity acting in its or their governmental capacity of the Improvements or to release Tenant from any governmental application, review or requirement.
- H. No Warranties: The inspection, testing and acceptance by Tenant under this or any other section of this Lease, of any plans submitted by or acts performed by Lessor shall not constitute a warranty by Lessor, and shall not relieve Tenant of its obligation to fulfill the provisions of this Lease and of the Plans as approved by Lessor, nor shall Lessor be thereby estopped from exercising any of its remedies provided at law or equity or under this Lease.
- I. Engineering: Lessor shall furnish Tenant with control information required for ground and pavement elevations, specifications for earthwork, pavement, and drainage. Tenant shall be responsible for all other engineering work and the accuracy thereof. Any material

deviations from the approved Plans must have prior written approval by the Lessor.

- J. Utilities: Upon the prior written approval of the Director of Airports, Tenant may install any utilities on the Premises at its own cost and expense and shall pay any and all connection, inspection, and service fees in connection therewith.
- K. Paving and Concrete: Tenant shall upgrade the pavement for the aircraft movement areas and concrete hangar floors such that they will accommodate the heaviest aircraft expected to operate in the area, or fully loaded fuel trucks, whichever is of greater weight, with a minimum expected pavement life of no less than twenty-five (25) years or as recommended in the Inspection Report in Subsection 14.B. above. All road access shall be in accordance with Contra Costa County Public Works Department standards.
- L. Signs: Tenant may erect signs and advertising media and place the same upon the improvements in accordance with FAA and Buchanan Field Airport Policy and Standards for Development, after obtaining the written approval of the Director of Airports and/or of any other public agency having jurisdiction.
- M. Notice of Nonresponsibility: Tenant shall cause a notice of Lessor nonresponsibility to be posted and recorded by Tenant during construction in accordance with Civil Code Sections 3094 and 3129. A copy of the notice must be filed with the County Recorder and mailed to the Director of Airports after filing.

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11. All other terms of the Lease remain unchanged.

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

LESSOR

CONTRA COSTA COUNTY
a political 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

Pacific States Aviation, Inc.

By: _____
Robert Thompson, Chief Financial Officer

By: _____
Arthur Thompson, President

EXHIBIT A-1

Legal Description of Location 1

Buchanan Field
Amended Description of
F.B.O. Plot #2
(Pacific States Aviation)

EXHIBIT A-1

A portion of Rancho Monte Del Diablo, described as follows:

Beginning at a point on the westerly line of the County Road, known as John Glenn Drive, said point bearing south $24^{\circ} 28' 42''$ west (the bearing south $24^{\circ} 28' 42''$ west being taken for the purpose of this description) along said westerly line, 854.00 feet from Point "A", as said Point "A" is designated in the Resolution of the Board of Supervisors, County of Contra Costa, State of California, entitled "In the Matter of Declaring the Airport Access Road, a County Road", recorded September 21, 1961, in Volume 3957 of Official Records at page 591; thence from said point of beginning along said westerly line of John Glenn Drive south $24^{\circ} 28' 42''$ west 353.18 feet to a tangent curve to the left having a radius of 234.36 feet; thence southwesterly along said curve through a central angle of $19^{\circ} 58' 36''$, an arc distance of 81.71 feet, to a point from which the radial line of said tangent curve bears south $85^{\circ} 29' 54''$ east; thence along the northwesterly extension of said radial line north $85^{\circ} 29' 54''$ west 249.01 feet; thence north $24^{\circ} 28' 42''$ east 518.31 feet to a point bearing north $65^{\circ} 31' 18''$ west, 220.00 feet from the point of beginning; thence south $65^{\circ} 31' 18''$ east, 220.00 feet to the point of beginning.

Containing a total area of 2.425 acres of land, more or less.

RESERVING THEREFROM to the County of Contra Costa, its successors or assigns, an easement for utility purposes over, across, and under two strips of land of the uniform width of 10 feet lying easterly, measured at right angles from the westerly line of the above described property and a strip of land of the uniform width of 10 feet lying westerly, measured at right angles from the easterly line of the above described property, extending from the northerly boundary to the southern boundary of the above described property.

Bucl an Field
Addition to Site #2
Fixed Base Operation

EXHIBIT A-1

A portion of the Rancho Monte del Diablo, described as follows:

Beginning at a point on the westerly line of the County Road, known as John Glenn Drive, said point bearing South $24^{\circ} 28' 42''$ west (the bearing south $24^{\circ} 28' 42''$ west being taken for the purpose of this description), 854.00 feet from Point "A", as said Point "A" is designated in the Board of Supervisors Resolution No. 324, recorded September 21, 1961, in Volume 3957 of Official Records, at page 591; thence north $65^{\circ} 31' 18''$ west, along the northerly line of the lease from Contra Costa County to Pacific States Aviation, dated February 19, 1963, 220.00 feet; thence, leaving said northerly line, North $24^{\circ} 28' 42''$ east, 90.00 feet; thence south $65^{\circ} 31' 18''$ east, 220.00 feet to said westerly line of John Glenn Drive; thence, along said westerly line, south $24^{\circ} 28' 42''$ west, 90.00 feet to the point of beginning.

Containing an area of 19.800 square feet (0.455 acres, more or less.

RESERVING THEREFROM to the County of Contra Costa, its successors or assigns, an easement for utility purposes over, across, and under a strip of land of the uniform width of 10 feet lying easterly, measured at right angles, from the westerly line of the above described property, and a strip of land of the uniform width of 10 feet lying westerly, measured at right angles, from the easterly line of the above described property, extending from the northerly boundary to the southerly boundary of the above described property.

Aircraft Parking Area
Addition to FBO Site #2
Pacific States Aviation
Third Amendment to Lease

EXHIBIT A-1

Parcel One:

A portion of Rancho Monte del Diablo, situate in the County of Contra Costa, State of California, described as follows:

Commencing at Point "A" as said point is designated in the Board of Supervisors Resolution 324, recorded September 21, 1961 in Book 3957 of Official Records at page 591, records of said County; thence, from said point of commencement North 65°31'18" West, 220.00 feet; thence, South 24°28'42" West, 764.00 feet to the true point of beginning; thence, from said true point of beginning North 65°31'18" West, 225.00 feet; thence, South 24°28'42" West, 575.00 feet; thence, South 65°31'18" East, 160.00 feet; thence, South 24°28'42" West, 56.94 feet; thence, South 85°29'54" East, 69.16 feet; thence, North 24°28'42" East, 608.31 feet to the true point of beginning.

Containing an area of 3.037 acres (132,308 square feet) of land, more or less.

Bearings used in the above description are based on the California Coordinate System Zone III.

Excepting therefrom and reserving unto Lessor and to the Lessee (presently Garry Grover, et al) of the Aircraft Parking Area, designated on Exhibit "A-1" as Site #3-A, which lies northerly of and adjacent to the parcel of land hereinabove described, a non-exclusive easement over and across the northerly 60 feet of the above described property for ingress to and egress from said adjacent Aircraft Parking Area.

Parcel Two:

A non-exclusive easement over and across the northerly 60 feet of the Aircraft Parking Area, presently maintained and operated by Lessor, which lies southerly of and adjacent to the above described Parcel One.

EXHIBIT A-2

Legal Description of Location 2

BOOK 4768 P. 214

Buchanan Field
Fixed Base Operation
Lease Site #3

EXHIBIT A-2

All that real property situate in the County of Contra Costa, State of California, described as follows:

A portion of the Rancho Monte del Diablo, described as follows:

Beginning at a point on the westerly line of a county road known as John Glenn Drive, as said road is described in the Resolution No. 324 by the Board of Supervisors of the County of Contra Costa, State of California, recorded September 21, 1961, in Volume 3957 of Official Records, at page 591, which point bears south 24° 28' 42" west (the bearing south 24° 28' 42" west being taken for the purpose of this description), 414.00 feet from point "A" as designated in said Board of Supervisors Resolution (3957 OR 591); thence, from said point of beginning, along said westerly line (3957 OR 591), south 24° 28' 42" west, 350.00 feet; thence leaving said westerly line, north 65° 31' 18" west, 220.00 feet; thence north 24° 28' 42" east, 350.00 feet to the southwest corner of the parcel of land described in the Amendment to Lease dated November 1, 1962 from the County of Contra Costa, Lessor, to Patterson Aircraft Company, Lessee; thence south 65° 31' 18" east along the southerly line of said parcel of leased land, 220.00 feet to the point of beginning.

Containing an area of 77,000 square feet (1.768 acres, more or less).

RESERVING THEREFROM to the County of Contra Costa, its successors or assigns, an easement for utility purposes over, across, and under a strip of land of the uniform width of 10 feet lying easterly, measured at right angles, from the westerly line of the above described property, extending from the northerly boundary to the southerly boundary of the above described property; a strip of land of the uniform width of 10 feet lying southerly, measured at right angles, from the northerly line of the above described property, extending from the westerly boundary to the easterly boundary of the above described property; and a strip of land of the uniform width of 10 feet lying westerly, measured at right angles, from the easterly line of the above described property, extending from the northerly boundary, to the southerly boundary of the above described property.

Buchanan Field
Aircraft Parking Area
Site #3-A
(Garry Grover-FBO)

EXHIBIT A-2

A portion of Rancho Monte del Diablo, situate in the County of Contra Costa, State of California, described as follows:

Parcel One:

Commencing at point "A", as said point is designated in the Board of Supervisors Resolution 324, recorded September 21, 1961 in Book 3957 of Official Records at page 591, Records of said County; thence, from said point of commencement North 65°31'18" West, 220.00 feet; thence, South 24°28'42" West, 414.00 feet to the true point of beginning; thence, from said true point of beginning North 65°31'18" West, 225.00 feet; thence, South 24°28'42" West, 350.00 feet; thence, South 65°31'18" East, 225.00 feet; thence, North 24°28'42" East, 350.00 feet to the true point of beginning.

Containing an area of 1.808 acres (78,750 square feet) of land, more or less.

Bearings used in the above description are based on the California Coordinate System, Zone III.

Parcel Two:

A non-exclusive easement for aircraft access way over the southerly seventy (70) feet of the adjacent Aircraft Parking Area designated as Site #1-A (Leased to Navajo Aviation, Inc.) on Exhibit "A-1", which lies northerly of and adjacent to the above described Parcel One.

Parcel Three:

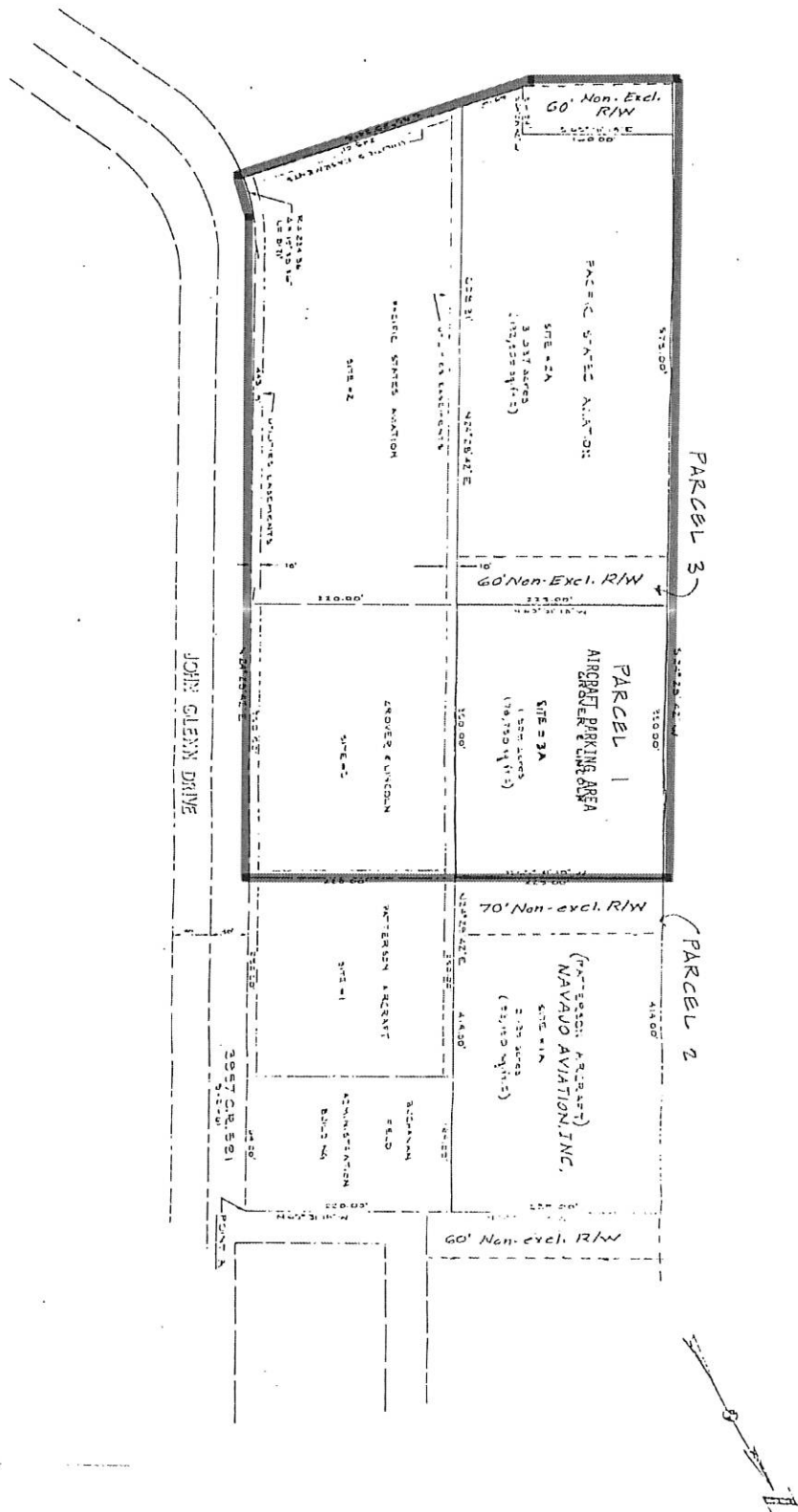
A non-exclusive easement for aircraft access way over the northerly sixty (60) feet of the adjacent Aircraft Parking Area designated as Site #2-A (Leased to Pacific States Aviation) on Exhibit "A-1", which lies southerly of and adjacent to the above described Parcel One.

EXHIBIT B

[Site Plan that shows both locations]

Exhibit B

BUCHANAN FIELD



ST. H4 1,551,500/545,500

Lease Amendment Evidencing the same

NO.	DATE	DESCRIPTION	AMOUNT	TOTAL
1	1/1/67	CONTRA COSTA COUNTY PUBLIC WORKS DEPARTMENT	1,551,500	1,551,500
2	1/1/67	BUCHANAN FIELD	545,500	2,097,000
3	1/1/67			
4	1/1/67			
5	1/1/67			
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100	1/1/67			

(REDUCED SCALE)

CONTRA COSTA COUNTY PUBLIC WORKS DEPARTMENT

EXHIBIT C

EXHIBIT C:

PERFORMANCE AND SERVICE STANDARDS

The following performance and service standards shall apply throughout the term of the Lease.

1. AERONAUTICAL SERVICES

A. At a minimum, Tenant shall have its hangar and tiedown storage facilities open and services available twelve (12) hours daily, seven (7) days a week; Tenant shall have on duty during operating hours sufficient trained personnel to meet these minimum standards in an efficient manner.

B. In the event Tenant operates an aircraft rental service, Tenant shall maintain a sufficient number of properly certificated aircraft to adequately handle the scope of the operation; provided, however, the number of such available aircraft shall never be less than two (2), at least one (1) of which shall be equipped for and capable of flight under instrument conditions. Tenant shall have on duty during operating hours (a minimum of eight (8) hours a day, six (6) days a week), sufficient trained personnel to meet these minimum standards in an efficient manner, but never less than one.

(1) person having the appropriate FAA certificate equal to that required for operation of the type of aircraft available for rental and instruction.

C. The minimum standard of line service for general aviation aircraft users shall be one qualified attendant available on the ramp twelve (12) hours a day, seven (7) days a week, or as determined from time to time by the Airport. Tenant shall provide aircraft arrival and departure guidance upon the Premises.

C. The minimum standard for aircraft repair services (airframes, powerplants, fueling systems, electrical systems, radios, propellers, avionics, instruments and accessories) shall be to provide a shop, or a combination of shops, for the repair of one or more of the following: aircraft airframes, powerplants, radios, propellers, avionics, instruments, and accessories for general aviation aircraft. This category shall include the sale of new and/or used aircraft parts, radios, propellers, avionics, instruments and accessories. Each such shop will be certificated as required by the FAA for the type of service it will provide.

In providing one or any combination of the services defined above, Tenant shall have its Premises open and services available at least forty (40) hours each week, excluding holidays. Tenant shall have on duty during operating hours sufficient trained personnel to meet these minimum standards in an efficient manner, but never less than one (1) person, certificated by the FAA as being qualified to repair aviation radios,

instruments or propellers, and one (1) other repairman, not necessarily rated.

- E. Tenant shall provide passenger and flight crew ground transportation services between the Leased Premises and reasonable destinations on the Airport as required by users of the Leased Premises.
- F. Tenant shall provide twenty-four (24) hour emergency service to disabled general aviation aircraft on the Airport, including towing or transporting disabled aircraft to the Leased Premises at the request of the owner or operator of the aircraft or the Airport.
- G. Tenant shall provide such minor repair service, not requiring a certificated mechanical rating, and cabin services, to general aviation aircraft and other non-scheduled aircraft as can be performed efficiently on the ramp or other apron parking area within the Leased Premises.
- H. Tenant shall procure and maintain tools, jacks, towing equipment, tire repairing equipment, energizers and starters, heaters, fire extinguishers and other related or required devices as appropriate and necessary for the servicing of general aviation aircraft and other non-scheduled aircraft using the Airport. All equipment shall be maintained and operated in accordance with local and state industrial and safety codes and stored in an orderly manner.

2. FUELING

- A. Tenant shall have the Leased Premises open for the sole purpose of aircraft fueling and oil dispensing services up to twelve (12) hours per day, seven (7) days a week, or as determined by the Airport.
- B. Tenant shall provide, at all times, an adequate supply of at least two (2) grades of fuel which meet the market demand of the general aviation and other commercial aviation users of the Airport. Tenant shall provide the fuel supply from fuel transporting vehicles, which conform to all applicable federal, state, and local laws and regulations.
- C. Tenant shall provide metered filter-equipped mobile dispensers for dispensing the grades of fuel, with separate dispensing pumps and meters required for each grade of fuel and meeting all applicable safety requirements, with reliable metering devices subject to independent inspection, and with a pumping efficiency capable of filling the largest aircraft likely to be serviced.
- D. Only fuel approved by the FAA for the type of aircraft being fueled may be used.
- E. Tenant shall make all fueling facilities and equipment available for inspection. Additionally, at least two employees shall maintain current training in fuel handling and quality control.

3. TRAINING STANDARDS

Training standards shall be developed by Tenant to meet federal, state, and local requirements. Said requirements shall be submitted to and subject to review by the Airport.

4. FAILURE TO MEET STANDARDS

A. In the event that any of the foregoing performance or service standards are not performed by Tenant within fifteen (15) days after receipt of written notice, the Airport shall have the right to levy a fine on Tenant of \$1,000 per month for each performance or service standard not met.

B. If, after Tenant's receipt of 30 days' written notice, the foregoing performance standards are still not met, Tenant shall be considered in default of the Lease and Airport shall have the right to terminate this Lease upon written notice of termination, in which event this Lease shall terminate on the date set forth in the notice.

EXHIBIT D
Capital Improvement List

Tenant will make initial capital improvements to 101 John Glenn Drive, Location #2, that minimally include:

1. Repair dry rot around the building
2. Paint exterior as needed
3. Upgrade two front restrooms by the building entrance
4. HVAC maintenance
5. Landscaping maintenance and upgrade
6. Repair hangar doors in Hangars 2 and 3
7. Replace carpeting throughout building as needed
8. Upgrade plumbing as needed
9. Install a self-fueling facility for aviation gas
10. Upgrade the office facilities for Hangar 2
11. Upgrade or remove the rear porch
12. Put the oil-water separator back into service
13. Upgrade signage
14. Upgrade lighting
15. Pest control and mediation

Exhibit E
Building Subtenants

1. Subtenant: Concord Aero Tech LLC
Rental Area: Office Space 30
2. Subtenant: Diablo Composite Squadron 44, Civil Air Patrol
Rental Area: Office Spaces 27, 28, 29
3. Subtenant: Pacific Gas and Electric Company (PG&E)
Rental Area: Hangar 1, Upstairs office/open space for Hangar 1, Office Spaces 14, 15, 19, 21, 22, 23
4. Subtenant: Pacific States Aviation, Inc.
Rental Area: Office Spaces 4, 5, 11, 12, and 13 plus adjoining hallway and bathrooms and tie-down spaces 20, 21, 28-52
5. Subtenant: Red Carpet LLC
Rental Area: Office Space 25
6. Subtenant: Richard Batchelder
Rental Area: Office Space 26