

CONSENT TO ASSIGNMENT OF LEASE

This consent to assignment of lease ("Consent") is dated December 4, 2018, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California ("County"), PACIFIC STATES AVIATION, INC., a California corporation ("Assignor") and THRESHOLD TECHNOLOGIES, INC., a California corporation ("Assignee").

RECITALS

- A. The County owns and operates 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 County Director of Airports (the "Director of Airports").
- B. The County leases a portion of the Airport commonly known as 51 and 101 John Glenn Drive to Assignor pursuant to an amended and restated lease dated February 28, 2006, as amended by a first amendment dated February 28, 2011, and by a second amendment dated January 7, 2018 (the "Lease"). The tenant's rights and obligations under the Lease are the "Leasehold Estate."
- C. Pursuant to an undated Asset Purchase Agreement attached hereto in a redacted form as Exhibit A (the "Asset Purchase Agreement"), Assignee desires to purchase from Assignor substantially all of the assets of Assignor related to Assignor's business as a Fixed Base Operator at the Airport. Pursuant to the Asset Purchase Agreement, Assignor assigns all of its right, title and interest in, to and under the Lease (collectively, the "Leasehold Interest"), to Assignee, and Assignee accepts the assignment of Assignor's Leasehold Interest under the terms of the Lease.
- D. The assignment of all of Assignor's right, title, interest, and obligations, in, to and under the Lease to Assignee is the "Assignment."
- E. The Lease requires that Assignor receive Lessor's written consent to the Assignment.
- F. In consideration of all of the terms and conditions contained herein, County agrees to consent to the Assignment.

County, Assignor, and Assignee therefore agree as follows:

AGREEMENT

1. Defined Terms. Defined terms used but not defined in this Consent are as defined in the Lease.

2. Security Deposit. The County will continue to hold the security deposit previously paid to the County under the Lease in accordance with the terms of the Lease.
3. Representations and Warranties of Assignor and Assignee. Each of Assignor and Assignee hereby represents and warrants that:
 - a. Assignee's intended use of the Premises is same as the Assignor's historical use of the Premises and is not inconsistent with the use permitted under the Lease and will not require alteration of the Premises.
 - b. Assignee is a California corporation in good standing.
 - c. Assignee has a good reputation in the business community in which it has conducted its businesses and its business reputation and business credit history is consistent with other business conducted on the Premises
 - d. Assignee's intended use of the Premises will not increase the hazardous substance liability to the Premises and will not otherwise adversely affect the County's interest in the Premises.
 - e. Assignee is capable of operating a Fixed Base Operator business as contemplated by the terms of the Lease and has business experience and management ability that is equal to or greater than that of the Assignor.
 - f. Assignee's financial condition is sufficient to support the obligations of Tenant under the Lease and any encumbrances secured by the Lease.
 - g. The Assignment will not result in a reduction in Ground Rent paid under the Lease.
 - h. Assignor and Assignee have the legal right and authority to enter into this Consent and each has received all necessary approvals to do so.
4. Conditions Precedent to Execution of Consent. County's consent to the Assignment is subject to the satisfaction of the following conditions:
 - a. Assignor and Assignee must enter into the Asset Purchase Agreement and thereby effect the Assignment.
 - b. The Director of Airports must receive an executed copy of the Asset Purchase Agreement and any other documents related to the Assignment.
 - c. Prior to the effective date of the Assignment, the Assignor shall pay any Ground Rent that has become due under the Lease, including late fees and

interest, and other payments due under the Lease, and shall cure any existing default.

d. The Assignor shall pay the County a Transaction Fee of \$3,500.00.

5. Consent of County.

a. In reliance on the representations and warranties of Assignor and Assignee set forth herein, the County consents to the Assignment.

b. The County hereby consents to the assignment and conveyance of Assignor's interest in, to and under the Lease, the Improvements and the Premises to the Assignee.

c. This Consent does not amend the Lease. If there is any confusion or contradiction between any term of the Lease and this Consent, the terms of the Lease will prevail.

6. Assumption. Assignee hereby assumes all of Assignor's obligations under the Lease, including the obligation to pay Ground Rent when due and to pay any amounts outstanding under the Lease, including any amount that accrued prior to the effective date of the Assignment

7. Governing Law. The laws of the State of California govern all matters arising out of this Consent, with venue in the Superior Court of the County of Contra Costa, California.

8. Survival. The provisions of this Consent shall survive both the execution and delivery of this Consent.

[Remainder of Page Intentionally Left Blank]

9. Notice. From and after the effective date of the Assignment, all notices given to Tenant under the Lease will be mailed to:

Threshold Technologies, Inc.
8352 Kimball Avenue
F350, Hangar #3
Chino, CA 91708

The parties are signing this Consent as of the date set forth in the introductory paragraph.

COUNTY

CONTRA COSTA COUNTY, a political
Subdivision of the State of California

By _____
Keith Freitas
Director of Airports

RECOMMENDED FOR APPROVAL:

By _____
Karen Laws
Principal Real Property Agent

By _____
Beth Lee
Assistant Director of Airports

APPROVED AS TO FORM:

By Sharon L. Anderson, County Counsel

By _____
Kathleen M. Andrus,
Deputy County Counsel

ASSIGNOR

PACIFIC STATES AVIATION, INC.

By _____
Arthur Thompson
President

By _____
Robert Thompson
Chief Financial Officer

ASSIGNEE

THRESHOLD TECHNOLOGIES, Inc.

By _____
Mr. Mark DiLullo
Chief Executive Officer

By _____
Mr. Thomas Bressan
Chief Operating Officer