

LEASE / CONCESSION AGREEMENT

Between

COUNTY OF SAN MATEO

(No. 5395)

And

RABBIT AVIATION SERVICES, INC.

San Carlos Airport
San Carlos, California

TENANT: RABBIT AVIATION

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EXHIBIT E - TOXIC MATERIALS & ENVIRONMENTAL RESPONSIBILITIES

LEASE / CONCESSION AGREEMENT

(No. 5395)

San Carlos Airport
San Carlos, California

RABBIT AVIATION SERVICES, INC.

This is intended to be a legally binding contract

Read it carefully and consult an attorney.

1. BASIC LEASE INFORMATION

The following is a summary of basic lease information (the "Basic Lease Information"). Each item below shall be deemed to incorporate all of the terms in this Lease pertaining to such item. In the event of any conflict between the information in this section and any more specific provision of this Lease, the more specific provision shall control.

Lease Reference Date: August 1, 2016

Landlord: County of San Mateo

Building (Section 4): Not Applicable

Premises (Section 4): Approximately 9,000 square feet of land as shown in Exhibit A (Site Plan of Premises).

Term (Section 5): Estimated Commencement date
(Subject to Section 5): April 10, 2018

Expiration date
(Subject to Section 5): April 30, 2025

There is one (1) option to extend the term for an additional five (5) years under the same terms and conditions provided that both Landlord and Tenant agree to the extension as established in Section 7.

Monthly Base Rents (Section 6):	\$900 per month or monthly flowage fee as set forth in Section 6C, whichever is greater
Rent Adjustment Dates (Section 8):	12 months after Commencement Date and each successive 12 months thereafter.
Use and Concession (Section 12):	\$500 minimum per month in addition to monthly base rent as specified in Section 6
Tenant Improvements (Section 13):	Tenant shall, at its sole cost and expense, complete the Improvements as set forth in Section 12(A) (Tenant Improvements) and in compliance with Section 27 (Alterations and Additions) hereof. Failure to complete the improvements accordingly shall render Tenant to be in Default and affect Tenant's ability to exercise options to renew terms.
Utilities and Services (Section 16):	Paid by County
Security Deposit (Section 23):	None
Notice Address of County (Section 41):	County Manager Attn: Real Property Services 555 County Center Redwood City, CA 94063 Fax No.: (650) 363-4047

with a copy to:	County of San Mateo Department of Public Works Airports Division 620 Airport Drive San Carlos, CA 94070 Fax No. 650-593-3762
and to:	Office of County Counsel 400 County Center, 6 th Floor Redwood City, CA 94063 Fax No.: (650) 363-4034
Key Contact for County:	Gretchen Kelly
Telephone/Fax Nos.:	Phone: 650-573-3700 Fax: 650-593-3762
Alternate Contact for County:	Christopher St. Peter
Telephone/Fax Nos.:	Phone: 650-573 3700 Fax: 650-593-3762
Address for Tenant (Section 41):	Rabbit Aviation Services 655 Skyway Road San Carlos, CA 94070
Key Contact for Tenant:	Dan DeMeo
Telephone/Fax Nos.:	Phone: (650) 591-5857
Other Noteworthy Provisions:	N/A

2. PARTIES

This Lease and Concession Agreement ("Lease"), dated for reference purposes only as of this 1st day of August, 2016, is made by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("Landlord" or "County") and Rabbit Aviation Services, Inc. ("Tenant")

Both Parties agree as follows:

3. TERMS, COVENANTS AND CONDITIONS

This Lease is subject to the terms, covenants and conditions herein set forth. Each party covenants, as a material part of the consideration for this Lease, to keep and perform each and all of said terms, covenants and conditions that are to be performed, and that this Lease is made upon the condition of said performance.

4. PREMISES

Landlord does hereby lease to Tenant, and Tenant hereby leases from Landlord, approximately 9,000 square feet of land associated with the County Fuel Facility Improvement Project ("Project") and shown on the attached Exhibit A ("Site Plan of Premises") for the purposes of constructing a fuel storage facility as set forth in Exhibit D (Special Requirements/Conditions to Aircraft Fueling Concession Agreement with Rabbit Aviation). All that certain real property described herein as a portion of the San Carlos Airport, located in San Carlos, California, is hereby referred to as "Premises" or "The Premises".

5. TERM

The term of this Lease shall commence on that date which the Lease is duly executed by both Parties (Commencement Date). Rent shall not be due until that date which is thirty (30) days after the last of the following to occur: (i) delivery to Tenant of an original, fully executed counterpart of this Lease, (ii) Landlord's delivery of actual physical possession of the Premises to Tenant; and (iii) receipt by Tenant of a building permit (Rent Commencement Date). Tenant must use reasonable, diligent efforts to obtain a building permit, including without limitation, Tenant must apply for a building permit within fourteen (14) days after Tenant's receipt of Landlord's written approval of Tenant's final working drawings.

Notwithstanding anything contained herein, the term of this Lease shall commence no later than one hundred eighty (180) days following delivery to Tenant of an original, fully executed counterpart of this Lease. The Lease shall expire on that date specified in Section 1 (Basic Lease Information) ("Initial Term"). Landlord and Tenant shall duly execute a notice, similar in form to Exhibit F, agreeing to the Rent Commencement Date.

Tenant shall not have authority to enter upon the Premises or conduct any work on the

Premises, including due diligence or design activities, until such time as the Lease commences.

6. MONTHLY RENTAL

A. Base Rent

Subject to the Rental Adjustments specified in Section 8 (Rental Adjustment), Tenant agrees to pay to Landlord a Monthly Base Rent, without prior notice or demand, in the sum of \$900.00 on or before the first day of the first full calendar after the Rent Commencement Date, and a like sum on or before the first day of each and every successive calendar month thereafter during the term; except, when the Flowage Fee set forth in Section 6C exceeds the Monthly Base Rent in any given month, Tenant shall pay the Flowage fee in lieu of the Monthly Base Rent.

B. Concession Fee

Additionally, tenant shall also pay to County, on the first day of the first full calendar month after the Rent Commencement Date, and every successive calendar month thereafter; for the rights and privileges received from the concession activities permitted under this Lease as set forth in Section 12 (Use and Concession) below, the following fee, collectively referred to as the "Concession Fee" or "Fee":

<u>Concession Activity</u>	<u>Minimum Monthly Fee</u>
Product Sales	\$500 per month
Total:	\$500 per Month

C. Flowage Fee

Except as set forth in Section 6A (Base Rent), Tenant shall pay to County, the sum of \$0.15 (fifteen cents) per gallon (the "Flowage Fee") for all Jet and 100LL fuel sold or delivered to any person or entity by Tenant at the Airport. Alternatively, the Tenant may elect to pay the Flowage Fee based on all fuel delivered by load rather than to individual persons or entities at the Airport. In this instance, all flowage payments shall be accompanied by invoices and bill of lading from the tanker / shipping company detailing the load received by the Tenant for the month for which payment Flowage Fee is due.

Should the percentage of unleaded fuel remain less than fifty percent (50%) of the total aviation gasoline (unleaded fuel and 100LL fuel) sold by Tenant during the Term of the Lease, Tenant shall not be required to pay a flowage fee for any unleaded fuel sold at the Airport. Once Tenant's percentage of unleaded fuel sold exceeds the 50%

threshold of total aviation gasoline sold, Tenant shall pay the flowage fee in lieu of a Monthly Base Rent for all subsequent months regardless of actual percentage of fuel sold being unleaded. Tenant's obligation to pay Flowage Fee in lieu of Base Rent shall have no impact on Tenant's responsibility to continue to pay Concession Fee throughout the Term of the Lease.

The Flowage Fee shall be paid monthly on or before the first day of the second calendar month following the month for which the payment is due. (Example: The Flowage Fee for March shall be due and payable on the first day of May.) Any late payments will be subject to fees as further defined in this section and Section 11 (Late Charges and returned Check Charges). Should Tenant be required to pay Flowage Fee in lieu of Base Rent, Tenant's responsibility to pay rent shall extend two months past the termination of the Lease so as to provide required payment for all revenue earned at Airport during the Term of the Lease.

The Flowage Fee shall be subject to adjustment by the County Board of Supervisors. In the event the Flowage Fee is adjusted, County shall notify Tenant within thirty (30) days of said adjustment. Notwithstanding the foregoing, any increase in the Flowage Fee shall be applicable to all tenants on the airport.

D. Payment of Rent

The Rent, Concession Fee, Flowage Fee and other amounts due hereunder are sometimes collectively referred to herein as "Rent".

Rent for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein on a per diem basis, based upon a thirty (30) day month. Said Rent shall be paid to Landlord at:

County of San Mateo
Department of Public Works
Airports Division
620 Airport Way – Ste 10
San Carlos, CA 94070

or to such other person or at such other place as Landlord may from time to time designate in writing.

Landlord shall not be required to invoice Tenant for payment of Rent or other fees due hereunder. Tenant shall be responsible for payment of all fees due without prior notice or demand including adjustments pursuant to Section 8 (Rental Adjustment). Any amount due which is not paid shall be subject to late fees as set forth in Section 6E (Interest on Late Payment) and Section 11 (Late Charges and Returned Check Charge). Should Tenant fail to make an adjustment in the amount of rent paid upon an Adjustment Date, Tenant shall be obligated to pay all back rent accrued, within thirty (30) days of receiving written notice by County.

E. Interest on Late Payment

Any Rent, if not paid within ten (10) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per annum (the "Interest Rate"). However, interest shall not be payable on late charges incurred by Tenant as set forth in Section 11 (Late Charges And Returned Check Charge) hereof, nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

7. EXTENSION OPTION

At each party's discretion and upon mutual agreement by both Landlord and Tenant, Tenant may extend the Initial Term of this Lease (the "Extension Option") for one (1) additional term of five (5) years (the "Extended Term"). Such Extension Option shall be on all of the terms and conditions contained in this Lease except that the Base Rent shall be adjusted as set forth in this section. Tenant and Landlord may exercise the Extension Option by mutually executing a written notice no earlier than two hundred ten (210) days and no later than ninety (90) days prior to expiration of the term to be extended.

At the commencement of the Extended Term, the Base Rent shall be adjusted as set forth in Section 8 (Rental Adjustments) hereof, or, upon Landlord's election, to a Prevailing Market Rate as identified by Landlord provided, however, in no event shall the Base Rent be reduced below 103% of the Base Rent for the lease year prior to commencement of such Extended Term.

If Tenant disputes Landlord's determination of the Prevailing Market Rate, Tenant shall so notify Landlord within fourteen (14) days following Landlord's notice to Tenant of the Prevailing Market Rate and such dispute shall be resolved as follows:

- i. Within forty-five (45) days following Landlord's notice to Tenant of the Prevailing Market Rate, Landlord and Tenant shall attempt in good faith to meet no less than two (2) times, at a mutually agreeable time and place, to attempt to resolve any such disagreement.
- ii. If within this forty-five (45) day period Landlord and Tenant cannot reach agreement as to the Prevailing Market Rate, they shall each select one appraiser to determine the Prevailing Market Rate. Each such appraiser shall arrive at a determination of the Prevailing Market Rate and submit their conclusions to Landlord and Tenant within thirty (30) days of the expiration of the forty-five (45) day consultation period described in (A) above. Tenant and Landlord shall pay for each respective appraiser.
- iii. If only one appraisal is submitted within the requisite time period, it shall be

deemed to be the Prevailing Market Rate. If both appraisals are submitted within such time period, and if the two appraisals so submitted differ by less than ten percent (10%), then the average of the two shall be the Prevailing Market Rate. If the two appraisals differ by more than ten percent (10%), then the two appraisers shall immediately select a third appraiser who will, within thirty (30) days of his or her selection, make a determination of the Prevailing Market Rate and submit such determination to Landlord and Tenant. This third appraisal will then be averaged with the closer of the two previous appraisals and the result shall be the Prevailing Market Rate. The cost for the third appraiser shall be equally borne by the Parties. Under no circumstance shall the adjusted Monthly Base Rent be less than 103% of the prior year's Monthly Base Rent.

iv. All appraisers specified herein shall be members of the American Institute of Real Estate Appraisers (MAI) with not less than five (5) years' experience appraising leases of commercial properties similar to the Premises in the area. Landlord and Tenant shall pay the cost of the appraiser selected by such party and one-half of the cost of the third appraiser plus one-half of any other costs incurred in the determination.

8. RENTAL ADJUSTMENTS

12 months after the Rent Commencement Date, and each successive 12 months thereafter for the term of this Lease, including during any extended term or holdover period as set forth herein (the "Adjustment Date"), the Rent as set forth in Section 6A (Base Rent) shall be adjusted to equal one hundred three percent (103%) of the Base Rent for the lease year preceding such Adjustment Date.

9. GROSS REVENUES

Gross revenues shall include:

- all gross charges, sales, rentals, fees, compensation, and commissions made or earned, and all gross sums received, bartered, exchanged or earned by Tenant, or its assignees, whether collected or accrued, for any business, use, or operation, or any combination thereof, originating, transacted or performed, in whole or in part, at the Airport or pursuant to this Lease; which shall include customers accessing the Airport by way of Through the Fence Agreements; and
- those revenues: (i) originating at the Airport, (ii) made by Operator or Tenant's sales people or independent commissioned representatives utilizing the Airport as a point of contact or sale or (iii) by Tenant at the home, place of business or other location of an employee or a customer, shall be considered as made and completed therein, even though bookkeeping and payment of the account may be transferred to another place for collection and even though actual filling of the sale or service order and actual delivery of the merchandise may be made from a place other than the Airport;

Gross Revenues shall not include:

- Gratuities paid to service personnel in the form of tips;
- Sales tax, income taxes of all kinds and excise taxes applicable thereto, required to be collected by Tenant, or its assignees, in connection with the rendition or supplying of services or the sales of goods, wares or merchandise, federal & state excise taxes, merchant fees, sales of aviation grade fuel, gift certificates until redeemed;
- Any and all commissions paid for financing or discounts to be paid by Tenant to secure financing for any of the business conducted or sales of any kind or nature by Tenant;

10. ACCOUNTS AND RECORDS

Tenant shall maintain a system of accounts, reports, statements and records which shall be made available to Landlord upon request providing details regarding the transactions, revenue, expenses, clients, and operations under this agreement, which shall be preserved during the life of this Lease and for no less than three (3) years thereafter. In addition, Landlord shall have the right to inspect and audit the books and records of Tenant at any reasonable time upon request. Expenses of such audit shall be borne by Landlord, unless such examination shall disclose an additional amount owed to the Airport of greater than One Thousand (\$1,000.00) for any one year, in which event all costs of audit shall be paid by Tenant and Tenant shall pay the full amount owed plus penalties as defined herein.

Annually, by July 1, Tenant shall submit to Landlord a report specifying revenue generated, the number of transactions completed, total gallons of aviation fuel sold in each of the prior 12 months, and details regarding the quantity of each grade of fuel sold.

11. LATE CHARGES AND RETURNED CHECK CHARGE

Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent, fees, or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, administrative processing of delinquent notices and accounting charges. Accordingly, if any rent, fee, or sum due by Tenant is not received by Landlord within ten (10) days after said amount is due, that payment shall be delinquent and Tenant shall pay to Landlord, in addition to interest as set forth in Section 6 (Base Monthly Rent) hereof, a late charge equal to six percent (6%) of the total balance due at that time, Fifty Dollars (\$50.00), or the highest amount legally permissible, whichever is greater. A late charge shall be applied for each month rent is delinquent. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of late charges by Landlord shall in no event constitute a waiver of Tenant's default with

respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

Tenant agrees to pay Landlord a special handling charge of Fifty Dollars (\$50.00) for any check dishonored by the bank for any reason. This charge shall be added to and become part of Tenant's obligations hereunder, and shall be in addition to any charge for late payment provided for herein. Tenant agrees to pay Landlord immediately upon request any and all charges for dishonored checks.

In the event any two payments are delinquent in a twelve-month period, Landlord may require Tenant to make future payments quarterly in advance for a 24-month probationary period.

If Tenant fails to make any payments on time during the probationary period, such failure shall constitute a default as defined in Section 28 (Default) of this Lease.

12. USE AND CONCESSION

The concession allowed pursuant to this Lease shall be limited to the nonexclusive right to store and sell leaded and unleaded aviation fuel to aircrafts at San Carlos Airport. Fuel will be stored in, and sold out of, the tanks and fuel trucks authorized by this Lease and pursuant to Exhibit A attached hereto. The sale of aviation fuel shall be available to all aircrafts at San Carlos Airport and may not be for the sole use by any user. No use other than the storage and sale of aviation fuel on airport grounds is authorized by this Lease. Should additional uses be desired, Landlord and Tenant may amend this Lease accordingly. Tenant shall secure all necessary permits to operate in accordance with the uses authorized by this Lease.

Tenant shall not be permitted to use this Lease in such a manner as to allow another business, corporation, entity or individual to perform or conduct commercial activities.

Tenant shall not do or permit anything to be done in or about the Airport nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Airport or any of its contents, or cause cancellation of any insurance policy covering the Airport or any part thereof or any of its contents. Tenant shall not use or allow the Airport to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Airport. Tenant shall not commit or suffer to be committed any waste in or upon the Airport.

The Use and Concession activities listed herein are subject to restrictions as described and outlined in this Agreement.

A. TENANT IMPROVEMENTS

i. Land

Tenant, through a general contractor approved by Landlord, may modify the Premises, and make installations or improvements to the Premises as required for the uses authorized by this Lease at Tenant's sole cost pursuant to the Construction Documents (as defined in this Section below) approved by Landlord, and in accordance with the provisions of this Section. Any changes to the Construction Document or project plans shall require Landlord's written approval before being constructed. Such work and installations are referred to as the "Tenant Improvement Work" and "Tenant Improvements."

ii. Plans and Specifications

Immediately following the approval and execution of this Lease, Tenant shall cause its contractor to prepare and submit to Landlord for its written approval a preliminary architectural plan (the "Preliminary Plan"), based on Tenant's program requirements for use of the Premises as defined in Section 12 (Uses and Concession) and as shown in the attached Exhibit A (Site Plan of Premises).

Based on the approved Preliminary Plan, Tenant shall cause final plans, specifications and working drawings ("Final Plan") for the Tenant Improvements to be prepared. Tenant shall submit a copy of the Final Plan with all necessary Permits to Landlord prior to commencing work. Such Final Plan shall be subject to Landlord's approval, which approval shall not be unreasonably withheld or delayed. If Landlord disapproves of such Final Plan, or any portion thereof, then Landlord shall promptly notify Tenant thereof and of the revisions that Landlord reasonably requires in order to obtain Landlord's approval. Tenant shall submit to Landlord a revised Final Plan incorporating the revisions reasonably required by Landlord. Such revisions shall be subject to Landlord's approval, which shall not be unreasonably withheld or delayed. The Preliminary Plan, permits, and any agreed upon revisions for the Tenant Improvements approved by Landlord shall be referred to as the "Construction Documents."

iii. Permits

Tenant shall obtain all necessary governmental approvals and permits as required for the construction of Tenant Improvements, including, but not limited to, from the County of San Mateo's Environmental Health and the appropriate Planning and Building and Fire Prevention Bureau. Tenant shall secure and pay for any necessary permits and approvals, government fees, licenses and inspections necessary for the proper performance and completion of the Tenant Improvement Work shown on the approved Construction Documents. Tenant shall be responsible for arranging for all inspections required by the

applicable local building inspection division and Environmental Health.

Tenant acknowledges that Landlord enters into this Lease as a property owner and not as a regulatory agency with police powers.

iv. **Construction**

Tenant shall cause all Tenant Improvements to be completed in a good, workmanlike, and professional manner in accordance with sound building practice. Tenant shall comply with and give notices required by all laws, rules, regulations, ordinances, building restrictions and lawful orders of public authorities bearing on construction of the Tenant Improvements. All local, regional, state, and federal environmental and hazardous materials laws, ordinances, regulations, rules, and codes shall be complied with.

Tenant shall be responsible, at no cost to the Landlord, for performing the Tenant Improvement Work in accordance with Sections 12(A) (Tenant Improvements) and 27 (Alterations and Additions) herein. Tenant shall not make any material change to the approved plans or consent to any change order during the course of construction without first obtaining Landlord's written approval. Tenant shall ensure that all work is performed in a manner that does not obstruct access to or through the Property, other tenant's use of their premises, or with any other work being undertaken on or about the San Carlos Airport.

No approval by Landlord, any changes thereto or of any Alterations for purposes of this Lease, shall be deemed to constitute approval of any federal, state or local regulatory authority with jurisdiction over the Premises or Tenant's use hereunder, and nothing herein shall limit Tenant's obligation to obtain all such regulatory approvals at no cost to the Landlord.

13. USE OF AIRPORT FACILITIES

Landlord shall allow Tenant full use of all facilities on the Airport, which are normally open to and usable by the public, subject to Airport rules and regulations. The right to use Airport facilities shall be non-exclusive and shall allow Tenant to use the runway, taxiways, loading and transient aprons, fueling facilities, parking areas and any other facilities as required, if they are normally furnished to the public. If Landlord normally receives payment for use of the facilities, Tenant shall pay Landlord in accordance with fees charged to users of the facilities. Airport user rules are subject to change by the FAA and San Mateo County Board of Supervisors.

14. MOTOR VEHICLES/PARKING

Tenant shall ensure that its vehicles and those of its agents and customers are parked in areas and locations as approved by the Landlord. Tenant shall have the non-

exclusive use of the general parking areas of the Property for the reasonable use of its employees, invitees, and other guests. All such parking shall be subject to the limitation, rules and regulations established from time to time by Landlord. No vehicle offered for sale by Tenant shall be parked or stored in the general parking areas of the Property.

Camper trucks, trailers, other temporary living facilities, or any object or equipment not required for the use as defined in Section 12 (Use and Concession) may not be parked overnight in any area of the Property without written authorization from the Landlord. No overnight camping is permitted.

15. UTILITIES

Landlord shall, at its sole cost and expense, furnish to the Premises reasonable quantities of electricity as required for Tenant's use of the Premises as defined in Section 12 (Use and Concession). Such utilities and services shall be furnished to the Premises at all times during the term and the cost thereof shall be included in the Monthly Base Rent. Should Tenant's demand for electricity exceed reasonable quantities for the authorized uses outlined in the Lease, County and Tenant agree on a baseline of monthly electricity for which County shall pay for and Tenant shall reimburse County for any amount over the agreed upon baseline.

Landlord shall not be required to construct, maintain, or repair utility installations, including, without limitation, wiring, plumbing, conduits, and mains, resulting from Tenant's changed or increased utility requirements.

Landlord shall not be liable for failure to furnish utilities to the Premises when the failure results from causes beyond Landlord's reasonable control, but in case of failure Landlord shall immediately take all reasonable steps to restore the interrupted utilities.

16. JANITORIAL SERVICES

Tenant shall provide janitorial services sufficient to maintain the Premises in a clean and well-maintained condition.

17. ASSESSMENTS/TAXES

Tenant shall pay all federal, state and local taxes that are levied or required with respect to its employees, services, products and operations. As between Tenant and Landlord, Tenant shall be responsible for the payment of all sales or excise taxes on its operation. Tenant shall also be liable for any special assessments levied against the property. Tenant reserves the right to challenge any tax and special assessments.

Tenant shall pay, or cause to be paid, before delinquency, any and all taxes and assessments levied against Tenant's personal property in the Premises.

18. POSSESSORY INTEREST TAX

Tenant recognizes and understands in executing this Lease that its interest in the Premises created herein may be subject to a "possessory interest tax" that the County Assessor may impose on such interest, and any such tax would be the liability of and be paid solely by Tenant in addition to Rent and other fees and charges due hereunder. Tenant agrees to pay promptly when due, any possessory interest tax imposed on its interest in the Premises.

19. MAINTENANCE AND REPAIRS

Tenant shall maintain the Premises as shown in Exhibit A (Site Plan of Premises) and all Tenant Improvements at Tenant's sole cost and expense, in a safe, clean, wholesome, and sanitary condition, to the reasonable satisfaction of Landlord and in compliance with all local, regional, state, and federal laws, regulations, ordinances, permits, and codes, including but not limited to environmental, hazardous material, and National Fire Protection Association rules, and regulations applicable to Tenant's specific use thereof.

Tenant shall not allow any offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, nor any material detrimental to the public health to accumulate or remain on the Premises. It is expressly understood that Landlord shall have no responsibility whatsoever to make any improvements or repairs (except for repairs necessitated by Landlord's negligence or willful misconduct) or perform any maintenance to Landlord's Premises and Tenant Improvements.

20. EARLY TERMINATION

County is currently assessing the feasibility of redeveloping portions of the Airport. Should County require a portion or all of the Premises to accommodate the redevelopment of the Airport, County may require, by providing written notice to Tenant, that Tenant relocate their operations to another location on the Airport within 120 days. If Tenant does not provide County with a written notice consenting to the relocation of their operations within 45 days of receiving County's notice, County may, at County's discretion, terminate the Lease. Should Tenant agree to relocate operations, Tenant shall be solely responsible for the costs incurred from said relocation. Tenant's obligation to relocate pursuant to this provision shall not require tenant to improve any relocated premises other than as provided for in the scope of work as established in Section 12(a) herein, subject to any applicable environmental, land use, or airport regulations.

21. DAMAGE OR DESTRUCTION

If, during the term of this Lease, any improvements that are a part of the Premises are damaged from any natural or man made cause, rendering the Premises totally or partially inaccessible or unusable, Landlord, at its election, may either terminate this Lease or restore such improvements within a reasonable time and, if so restored, this Lease shall continue in full force and effect. If then existing laws do not permit restoration, either party may terminate this Lease immediately by giving notice to the other party.

In the case of damage, and Landlord decides to restore such improvements, there shall be an abatement or reduction of Rent, but not the concession fee, between the date of the damage and the date of completion of restoration, provided that Tenant can no longer provide services in a reasonable manner. The rate at which the abatement or reduction shall be set will be negotiated at the time. At no point shall the abatement or reduction in Rent exceed 50% of Rent due under the terms of this Lease. If any damage to said improvements is due to the fault or neglect of Tenant, its agents, contractors, employees or invites, there shall not be an abatement or reduction of rent. Additionally, tenant shall be responsible for the cost of any required restoration, repairs or replacement of the Premises and real and personal property adjacent to the Premises should the damage and destruction caused by Tenant's fault or negligence impact real and personal property adjacent to the Premises.

22. SECURITY DEPOSIT

Not used.

23. SURRENDER OF PREMISES

At the expiration or earlier termination of this Lease, Tenant shall surrender to Landlord possession of the Premises. Tenant shall leave the surrendered Premises in good condition, subject to ordinary wear and tear and/or damage from causes beyond the reasonable control of Tenant. All property that Tenant is required to surrender shall become Landlord's property at the expiration or termination of this Lease. All property, including Tenant's personal property that Tenant is not required to surrender but that Tenant abandons, shall, at Landlord's election, become Landlord's property at the expiration or termination of this Lease. Should Tenant abandon personal property at the expiration or termination of the Lease, County is allowed to dispose of said personal property and charge Tenant for the cost incurred to do so. By written request from the Landlord, Tenant shall remove all improvements, including fuel tanks, prior to vacating to Premises. At County's option, at least 60 days prior to the expiration of this Agreement or immediately upon termination due to default by Tenant, Tenant shall commence at Tenant's sole expense, removal of tanks, all other equipment and any improvements, as designated by County, in accordance with all Federal, state and local laws applicable to permanent closure of tanks, including any required soil excavation, remediation or soil

removal. The provisions of this section shall survive the expiration or termination of this Lease.

24. ENTRY BY LANDLORD

Landlord reserves and shall at any and all reasonable times, have the right to enter the Premises, upon reasonable notice (minimum of 24 hours unless under emergency circumstances) to Tenant, to inspect the same, supply any services to be provided by Landlord to Tenant hereunder, to show the Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve, repair or restore the Premises as Landlord may deem necessary or desirable, without abatement of rent. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises.

Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors and access the Premises in an emergency, as determined in Landlord's sole and absolute discretion, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by Landlord by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into the Premises, or an eviction of Tenant from the Premises or any portion thereof.

25. RESERVATIONS

This Lease shall at all times be subject to such easements or rights-of-way for such sewers, pipelines, conduits, and for such telephone, telegraph, light, heat or power lines, as shall have been duly established or as may from time to time be reasonably determined by Landlord.

This Lease is subsequent to and subject to all prior exceptions, reservations, grants, easements, leases or licenses of any kind whatsoever as the same appear on record in the office of the County Recorder, County of San Mateo, State of California, or in the official records of said County and of the various departments thereof. Tenant covenants not to disturb the quiet and peaceful enjoyment of any and all parties having any legal right, title, interest or privilege in and to the Premises and that the use of the Premises by Tenant shall at all times be conducted with proper regard for such rights, titles, interests and privileges.

It is specifically understood and agreed that any and all of the terms and conditions of this Lease are subordinate to all rights of the United States Government to use the Airport in times of war or national emergency.

26. CONSENT OF PARTIES

Whenever the consent, approval or permission of either party is required, that party shall not unreasonably delay or withhold such consent, approval or permission.

27. ALTERATIONS AND ADDITIONS

Tenant, at its sole cost, shall have the right to make, with Landlord's consent, reasonable alterations to Premises that Tenant requires in order to conduct its business on the Premises as authorized by this Lease. Tenant shall not be required to obtain permission from Landlord to make minor cosmetic and non-structural alterations to Premises including interior painting, conduits, piping, installation of display cases and cabinets, and installation of office equipment. In making any alterations, Tenant shall comply with the following:

- i. The alterations shall be approved by Landlord and all appropriate local, regional, state, and federal government agencies, and all applicable permits and authorizations shall be obtained and provided to Landlord before commencement of the alterations.
- ii. Tenant shall submit detailed final plans and specifications, working drawings of the proposed alterations, permits, and the name of its contractor at least thirty (30) days before the date it intends to commence the alterations.
- iii. The alterations shall not be commenced until ten (10) days after Landlord has received notice from Tenant stating the date the installation of the alterations is to commence so that Landlord can post and record an appropriate notice of non-responsibility.
- iv. All alterations shall be completed with due diligence and in compliance with the plans and specifications and working drawings, applicable codes, laws, permits, airport construction requirements, and environmental and hazardous material laws, regulations, ordinances, and rules.
- v. Any alterations made shall remain on, and be surrendered with, the Premises upon expiration or termination of this Lease, except that Landlord can elect within thirty (30) days before the expiration of the term, or within ten (10) days after termination of the term, to require Tenant to remove any alterations that Tenant has made to the Premises. If Landlord so elects, Tenant, at its cost, shall restore the Premises to the condition designated by Landlord in its election, before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later.

28. DEFAULT

A. Default by Tenant

The occurrence of any one or more of the following events shall constitute a

material default and breach of this Lease by Tenant:

- (i) The vacating or abandonment of the Premises by Tenant. (Failure to use or occupy the Premises for fifteen (15) consecutive calendar days shall be deemed a vacation or abandonment.)
- (ii) The failure by Tenant to make any payment of Rent, or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) calendar days after notice thereof by Landlord to Tenant.
- (iii) The failure by Tenant to observe or perform any of the terms, covenants or conditions of this Lease to be observed or performed by Tenant, other than described in Sub-sections (A (i)) and (A (ii)) hereinabove, where such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default and breach is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default and breach if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion within ninety (90) days.
- (iv) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's personal property at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of a Tenant's personal property at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

B. Landlord's Remedies

In the event of any such default and breach by Tenant described hereinabove, Landlord may at any time thereafter:

- (i) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord in a condition determined by Landlord. Any removal of equipment or personal property shall be at the sole cost of the Tenant. In the event Tenant shall have abandoned the Premises, Landlord shall have the option to either (1) take possession of the Premises and recover from Tenant the cost incurred by doing so, or (2) proceed under the provisions of the following Sub-section (ii).
- (ii) Maintain Tenant's right to possession, in which case this Lease shall

continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

- (iii) Pursue any other remedy now or hereafter available to Landlord under applicable laws and judicial decisions.

C. Default by Landlord

Landlord shall be in material default and breach of this Lease if it fails or refuses to perform any of the terms, covenants or conditions of this Lease that it is obligated to perform if the failure to perform is not cured within thirty (30) days after written notice of the default and breach has been given by Tenant to Landlord; provided, however, that if the default and breach of Landlord is such that more than thirty (30) days are reasonably required for its cure, then, Landlord shall not be deemed in default and breach if Landlord commences to cure the default within thirty (30) days after the written notice and thereafter diligently prosecuted such cure to completion within one hundred and twenty (120) days.

D. Tenant's Remedies

In the event of any such material default and breach by Landlord described hereinabove, Tenant may at any time thereafter: (a) Terminate this Lease with a written notice to Landlord and vacate the Premises on the date of termination; and/or (b) Pursue any other remedy now or hereafter available to Tenant under the applicable laws and judicial decisions.

E. California Law Notice Requirements

The notice requirements set forth in this Section modifies and supersedes the notice requirements of the unlawful detainer statutes of California.

F. Airport Regulations

Landlord shall apply the provisions of Section 28 prior to enforcing any remedies as provided by the Airport Regulations.

29. INDEMNIFICATION AND INSURANCE

A. Hold Harmless

Tenant shall at all times relieve, indemnify, protect and hold harmless, Landlord, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of injuries to or death of any person, including Tenant, or damage to property of any kind whatsoever and to whomever belonging, that may in whole or in part arise from, or be caused by:

- (i) The operation, maintenance, use, or occupation of the Premises for

- the uses authorized by the Lease and defects on the property in which the Landlord has no control;
- (ii) The acts or omissions of Tenant, its officers, agents, employees, servants, or invitees;
 - (iii) The failure of Tenant, its officers, agents, employees, servants, or invitees, to observe or abide by any of the terms, covenants and conditions of this Lease or any applicable federal, state, county or municipal law, rule, or regulation;
 - (iv) Any other loss or cost, including but not limited to, the concurrent active or passive negligence of County, its officers, agents, employees, or servants resulting from the performance of any work required of Tenant or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which the County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.
 - (v) Tenant's use of Toxic/Hazardous Materials on the Premises, or the presence of Toxic/Hazardous Materials in the soil, subsoil, or groundwater located in, on, or under the Premises, or the effect of Toxic/Hazardous Materials migrating to other real property from the Premises, but only to the extent that the liabilities are, or are likely to be, the result of or caused by Tenant. The indemnification by Tenant under this section shall survive the termination or cancellation of this Agreement.

The duty of Tenant to relieve, indemnify, protect and hold harmless, as set forth hereinabove, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

Contractors shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by County's Risk Management, and contractor shall use diligence to obtain such insurance and to obtain such approval. contractor shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending contractor's coverage to include the contractual liability assumed by contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

a. Workers' Compensation and Employer's Liability Insurance

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage.

In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

b. Liability Insurance

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

- (a) Comprehensive General Liability... \$1,000,000
- (b) Motor Vehicle Liability Insurance... \$1,000,000
- (c) Pollution Liability..... \$1,000,000

Such policies of insurance shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the County or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material

B. Miscellaneous Insurance Provisions

Tenant shall pay the premiums for maintaining the insurance required hereinabove. All the insurance required under this Lease shall:

- (i) Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least an AV status as rated in the most recent edition of Best's Insurance Reports. Coverage provided by State Fund Insurance shall satisfy this requirement.
- (ii) Be issued as a primary policy.
- (iii) Contain an endorsement requiring thirty (30) days' notice from the insurance company to both parties before cancellation or change in the coverage, scope, or amount of any policy.
- (iv) Landlord shall be named as "additionally insured" on each policy.

C. Certificate of Insurance

A certificate of insurance, together with evidence of payment of premium, shall be deposited with Landlord at the commencement of this Lease, and on renewal of the policy not less than thirty (30) days subsequent to the expiration of each policy.

In the event Tenant fails to deliver the certificate of insurance verifying insurance coverage as required in this Section, Landlord shall have the option, after a ten (10) day notice to Tenant requesting a certificate to take out all or part of the required insurance and pay the premium thereon on behalf of Tenant. If Landlord opts to take out the insurance on behalf of Tenant, the cost of the

premium paid by Landlord shall be deemed additional rent due and payable by Tenant with the next regular rent payment.

D. Increase in Coverage

Landlord reserves the right to require at any time that the required public liability and property damage insurance minimum coverage be increased in accordance with standard County of San Mateo Risk Management practice in effect at the time the increase is required. Tenant shall be given at thirty (30) days' notice of the required increase.

30. HAZARDOUS MATERIALS ACTIVITY

Tenant may not store, handle or generate hazardous materials, waste, or underground tanks on the property unless Tenant has completed and filed a San Mateo County Hazardous Materials Release Response Plan and Inventory ("Business Plan") with the San Mateo County Environmental Health Department, which Business Plan shall be approved by San Mateo County Environmental Health. Tenant shall provide County will a copy of the approved Business Plan no more than fifteen (15) calendar days after receiving approval from San Mateo County Environmental Health. Further, Tenant shall comply with recommendations made by San Mateo County Environmental Health and any other pertinent regulatory agency involved in the process in order to increase the safety of

the tanks and operations. Should Tenant be unable to comply with said recommendations, Tenant shall provide a written response explaining why the recommendation cannot be satisfied.

Hazardous material means any material that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment if released into the work place or the environment. Hazardous materials include, but are not limited to, hazardous substances, hazardous waste, and any material which a handler or the administering agency has a reasonable basis for believing that it would be injurious to the health and safety of persons or harmful to the environment if released into the work place or the environment. Examples of such hazardous materials are, but are not limited to: waste oil, grease, solvents, gasoline, aviation fuel, and compressed gases.

If Tenant does store, handle, or generate hazardous materials/waste, or operate an underground storage tank, Tenant must do so in compliance with all local, state, regional and federal regulations and laws regarding hazardous materials, including but not limited to, California Health and Safety Code, Chapters 6.5, Sections 25100-25249, California Code of Regulations Title 26 and Code of Federal Regulations Section 40 Parts 240-281. Tenant shall be in default hereunder in the event of Tenant's failure to (1) file the Business Plan, (2) follow the Business Plan, and (3) comply with applicable local, state, and federal statutes, laws, and regulations regarding the storage, use, and handling of hazardous materials/waste/underground tanks. In addition, Landlord may exercise any rights applicable under local, state, and federal law, in regards to requiring Tenant to be responsible for disposal or removal of the hazardous materials, waste, or underground tanks in a safe manner.

Subject to Section 24 (Entry by Landlord) herein, Landlord shall have the right to inspect the Premises to ensure Tenant's compliance, and charge inspection fees, in accordance with applicable local, state and federal statutes.

Should during County's inspection of the Premises, it be determined that there has been a hazardous material release contaminating the Premises or surrounding real property and such release was caused, or was likely caused by Tenant's operations, Tenant shall be responsible for having a contamination remediation plan developed and implemented. Such plan, which shall be approved by San Mateo County Environmental Health, shall be developed and implemented within a reasonable amount of time for the level of contamination present. The cost to develop such remediation plan and conduct remediation in accordance with the plan shall be borne solely by Tenant.

If Tenant does not intend to and will not store, handle hazardous materials/underground tanks or general hazardous waste, then Tenant must complete and file a "Hazardous Materials Negative Response Form" to that effect with the San Mateo County Environmental Health Department. If, at any time during the term of this Lease, Tenant commences activity that would involve the handling, storage or generation of hazardous materials/waste/underground tanks, Tenant must follow the directives set forth above.

31. COMPLIANCE WITH AIRPORT RULES AND REGULATIONS AND FAA STANDARD PROVISIONS

Tenant agrees to comply with all San Mateo County Airport ordinances, resolutions, rules and regulations, and at all times to cooperate with County in its operation and management of said airport. Tenant shall notify all users of its facilities of all applicable rules and regulations.

Tenant shall comply with the standard provisions for all leases of airport land promulgated by the Federal Aviation Administration, as set forth in the attached Exhibit B, and as those provisions may be revised from time to time.

Tenant shall comply with Standards for Fixed Base Operators (the "Minimum Standards") as amended from time to time by the Board of Supervisors affecting all operators on County Airports holding concessions similar to Tenant's. The Minimum Standards currently in effect are set forth in the County of San Mateo, Airport Business Operating Standards dated May 1994. Tenant recognizes that it has full responsibility for meeting these Standards. Should these Minimum Standards be amended, the Tenant shall have ninety (90) days to meet the new Minimum Standards. Should the tenant be unable to meet the new Minimum Standards, the Tenant shall be determined to be in default of this Lease.

Tenant shall notify all users of its facilities and pilots of aircraft as to all applicable rules and regulations and require users and pilots to comply with them.

32. NON-ABROGATION OF UNITED STATES GOVERNMENT RIGHTS

The provisions of this Lease in no way abrogate any rights vested in the United States of America relative to the airport as such rights exist between the United States of America and the County of San Mateo.

33. HOLDING OVER

If Tenant holds over after the expiration of the term hereof without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at the monthly rental rate of one hundred fifty per cent (150%) of the rent in effect upon the date of

such expiration and otherwise upon the terms, covenants and conditions herein specified, so far as applicable. Acceptance by Landlord of monthly payments after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this paragraph are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord hereunder or as otherwise provided by law.

34. ASSIGNMENT AND SUBLETTING

Tenant shall not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the employees, agents, servants, and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without the written consent of Landlord first had and obtained, which consent may be granted or withheld at the sole discretion of the County. A consent to one assignment, subletting, occupation, or use by any other person shall not be deemed to be consent to any subsequent assignment, subletting, occupation, or use by another person. Any such assignment or subletting without such consent shall be voidable, and shall at the option of County, constitute a default under this Lease.

35. SAN MATEO COUNTY NO SMOKING ORDINANCE

Tenant is aware that on April 18, 2006, the County of San Mateo modified its Ordinance Code, adopting Section 4.96.040, which prohibits smoking in all County facilities whether owned or leased. Tenant understands that said Ordinance authorizes County to enforce the provisions contained therein and Tenant agrees to enforce the provisions of said ordinance on the Premises.

36. OPERATION OF RADIO EQUIPMENT

Tenant shall not operate any radio equipment at the airport transmitting electronic signals, which might interfere with operations of the Airport Control Tower, UNICOM, County Radios or other electronic transmissions essential to the operation of the airport.

37. CLOSING OF AIRPORT FOR MAINTENANCE AND CONSTRUCTION

Landlord may from time to time be required to close the runway, taxiways, roads, parking lots, buildings and other facilities for purposes of necessary maintenance, repair or new construction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises, Airport facilities, loss of revenue, or any inconvenience or annoyance as a result of such maintenance or construction.

38. LAWS, RULES, REGULATIONS AND PERMITS

Tenant shall construct any improvements and use, operate, maintain and occupy the Premises in compliance with all applicable local, regional, state, and federal laws, ordinances, rules, and regulations. These include, but are not limited to the Americans With Disabilities Act of 1990 and Title 24 of the California Code of Regulations and all other applicable federal, state, local and administrative laws, rules, codes, regulations, orders and requirements intended to provide equal accessibility for persons with disabilities (collectively, "Disabilities Laws"); Chapter 4.106 of the San Mateo County Ordinance Code which regulates the use of disposable food service ware; all local, regional, state, and federal environmental and hazardous material laws, regulations, ordinances, and rules; and any other applicable City, County, State or Federal ordinances, rules, policies, laws and regulations. Tenant is responsible for ascertaining the need for and obtaining all required permits, licenses, etc., for all of its activities on the Premises. The cost for all permits, licenses, etc., shall be borne solely by Tenant.

39. PERSONAL PROPERTY

Tenant's personal property shall include equipment, furniture, merchandise, and movable property placed in the Premises by Tenant, including trade fixtures, fuel tanks and associated equipment. Trade fixtures include any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use.

40. NOTICES

Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) County at Landlords address set forth in the Basic Lease Information or (b) Tenant at Tenant's address set forth in the Basic Lease Information; or (c) such other address as either Landlord or Tenant may designate as its new address for such purpose by notice given and received two (2) days after if sent by Express Mail, or upon the date personal delivery is made. For convenience of the Parties, copies of notices may also be emails to the address set forth in the Basic Lease Information of such other address as may be provided from time to time.

41. LIENS

Tenant shall keep the Premises, free from any liens arising out of the work

performed, materials furnished or obligations incurred by Tenant.

42. PAYMENT OF PERCENTAGE SHARE OF OPERATING EXPENSES

Not used.

43. GENERAL PROVISIONS.

A. Compliance with Law

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements including National Fire Protection Association, environmental, and hazardous material laws, ordinances, regulations, and codes now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

B. Authority of Parties

- (i) Corporate Authority. If either party hereto is a corporation, each party executing this Lease on behalf of the corporation represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted Resolution of the Board of Directors of the corporation or in accordance with the By- Laws of the corporation, and that this Lease is binding upon the corporation in accordance with its terms.
- (ii) Partnership. If either party hereto is a partnership or other unincorporated association, each party executing this Lease on behalf of the partnership or other association represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the partnership or association, in accordance with the partnership agreement or the agreement of said association.
- (iii) Authorized Lease Representative of the County of San Mateo. The County Manager, or the designee of the County Manager, shall be the only authorized agent of the County of San Mateo for purposes of giving any notices or exercising any rights, options, privileges or

obligations of the County of San Mateo under this Lease. This Lease shall not be valid unless executed by the President of the Board of Supervisors of the County of San Mateo pursuant to a Resolution adopted in accordance with the California Government Code.

C. Other Terms

Clauses, plats, exhibits and riders, if any, initialed and dated by Landlord and Tenant and endorsed on or affixed to this Lease are a part hereof.

D. Waiver

The waiver by either party of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of the acceptance of such rent.

E. Joint Obligation

"Party" shall mean Landlord or Tenant; and if there be more than one Tenant or Landlord, the obligations hereunder imposed upon Tenants or Landlords shall be joint and several.

F. Time

Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

G. Successors and Assigns

The terms, covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

H. Recordation

Neither Landlord nor Tenant shall record this Lease.

I. Prior Agreements

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose.

No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

J. Inability to Perform

This Lease and the obligations of Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of Landlord.

K. Negation of Partnership

Landlord shall not become or be deemed a partner or a joint venturer with Tenant by reasons of the provisions of this Lease.

L. Sale or Transfer of Premises

In the event of any sale or transfer of the Premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale or transfer; and the purchaser or transferee, at such sale or transfer or any subsequent sale or transfer of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties or their successors in interest or between the parties and any such purchaser or transferee, to have assumed and agreed to carry out any and all of the covenants and obligations and agreed to carry out any and all of the covenants and obligations of Landlord under this lease.

M. name

Tenant shall not use the name of the Premises or of the development, building or facility in which the Premises may be situated for any purpose other than as an address of the business to be conducted by Tenant in the Premises.

N. Cumulative Remedies

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

O. Signs and Auctions

Tenant shall not place any sign upon the Premises or conduct any auction thereon without Landlord's prior written consent.

P. Provisions, Covenants and Conditions

All provisions herein, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

Q. Captions, Table of Contents

The captions and the Table of Contents of this Lease (if any) shall have no effect on the interpretation of this Lease.

R. Payments in U.S. Money

Rent and all sums payable under this Lease must be paid in lawful money of the United States of America.

S. Singular and Plural

When required by the context of this Lease, the singular shall include the plural.

T. Choice of Law

This Lease shall be construed, interpreted and governed in accordance with the laws of the State of California.

U. Brokers

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein except as identified in the Basic Lease Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the party through which such broker contracted. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Lease.

V. Severability

If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

W. Venue

The Venue for any court action to interpret or enforce this agreement or to litigate any claim arising out of this agreement shall be had in State Court of the County of San Mateo.

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IN WITNESS WHEREOF, County and Tenant have executed this Lease as of the date and year first above written.



TENANT

Rabbit Aviation Inc.

LANDLORD

COUNTY OF SAN MATEO, a Political
Subdivision of the State of California

EXHIBIT A
SITE PLAN OF PREMISES

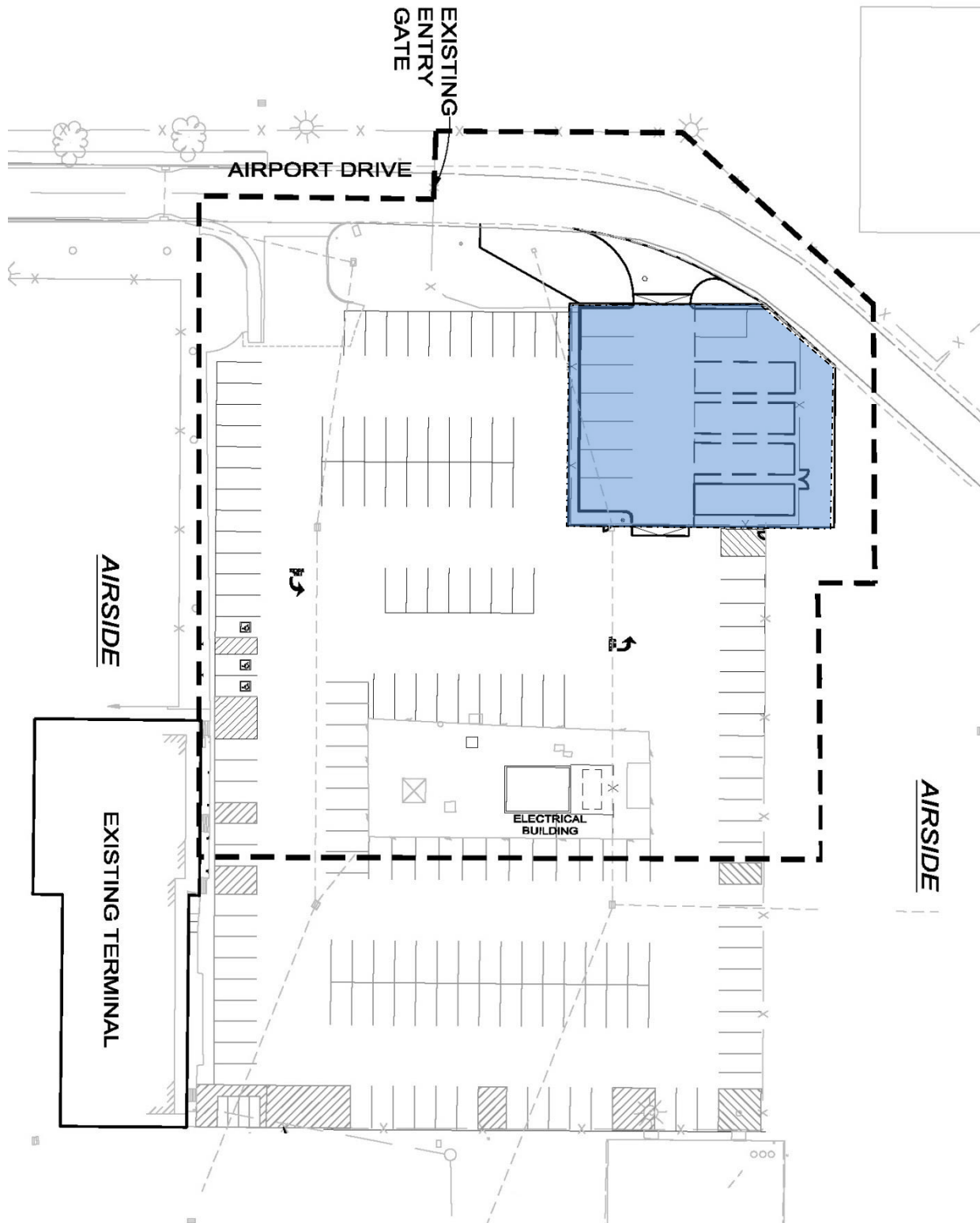


EXHIBIT B
STANDARD PROVISIONS FOR ALL LEASES,
USE, AND OTHER AGREEMENTS AND PERMITS
SAN MATEO COUNTY AIRPORTS

1. Tenant for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land" that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease, agreement or permit for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Tenant for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, sex, sexual orientation, color, national origin, religion, age or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the lands and furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. In the event of breach of any of the above nondiscrimination covenants, Landlord may terminate the lease, agreement or permit and re-enter and repossess the land and the facilities thereon and hold them as if the lease, agreement or permit had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
4. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach of the lease, agreement or permit. In the event of such non-compliance, Landlord may terminate this lease, agreement or permit and the estate hereby created without liability thereof; or, at the election of Landlord or the United States either or both of these governments may judicially enforce the provision.
6. Landlord may further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of Tenant and without interference or hindrance.
7. Landlord may, but shall not be obligated to Tenant to, maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport. Landlord also may direct and control the activities of Tenant in this regard.
8. The lease, agreement or permit shall be subordinate to the provisions and requirements of any existing or future agreement between County and the United States relative to the development, operation or maintenance of the airport.
9. There is hereby reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises covered by the lease, agreement or permit. This public right of flight shall include the right to cause in this airspace any noise inherent in the operation of any aircraft used for navigation of flight through the airspace or to land at, take off from or operate on the San Carlos or Half Moon Bay Airport, as the case may be.
10. Tenant shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations if future construction of a building is planned for the premises covered by the lease, agreement or permit or in the event of any planned modification or alteration of any present or future building or structure on the premises.
11. Tenant, by accepting this lease, agreement or permit, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on any land leased that would be in conflict with the provisions of Part 77 of the Federal Aviation regulations. If these covenants are breached, County may enter upon the land and remove the offending structure or object and cut the offending tree, all of which shall be at Tenant's expense.
12. Tenant, by accepting this lease, agreement or permit, agrees for itself, its successors and assigns that it will not make use of the premises covered by the lease, agreement or permit in any manner which might interfere with the landing and taking off of aircraft from the airport or otherwise constitute a hazard. If this covenant is breached, County may enter upon the premises and cause the abatement of such interference at Tenant's expense.

13. Nothing contained in the lease, agreement or permit shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349A).
14. The lease, agreement or permit and all its provisions shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency.
15. Tenant will conduct its programs and operate its facilities in accordance with the requirements of the Americans with Disabilities Act of 1992 and will assure that no qualified disabled person shall, solely by reason of his or her disability be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination, including discrimination in employment. Tenant will conduct its programs and operate its facilities in compliance with all the requirements imposed by or pursuant to **49 CFR Part 27**.
16. Tenant shall insert the above provisions in any lease, agreement, contract, permit, etc., by which it grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises covered by the lease, agreement or permit, including any subleases, and hereby assures that the above provisions will be included in any agreement, contract, permit or further sub-lease granted or entered into by any sub-lessee of the Tenant.

EXHIBIT C
SPECIAL REQUIREMENTS/CONDITIONS
TO AIRPORTS LEASE / CONCESSION AGREEMENT WITH
RABBIT AVIATION

In the event of any conflict between any provision of the Lease and this Exhibit C, the Lease provision shall prevail.

1. SAFETY

Safety shall be paramount at all times. Tenant shall ensure that its agents, employees and customers safely coordinate all movements and activities on the airport to the satisfaction of the County. Tenant shall ensure that its operations and activities comply with local, state and federal requirements and are in accordance with safe and acceptable practices and procedures.

2. LICENSES AND CERTIFICATIONS

Tenant shall obtain all required licenses, certifications and authorizations from all appropriate agencies for work performed and activities conducted under this Agreement.

3. TRAINING

Tenant shall properly educate and train all agents, employees and customers regarding airport safety and operating procedures prior to allowing access onto the airfield.

4. COMPLIANCE WITH NOISE ABATEMENT

Not Used.

5. PARKING

Tenant shall ensure that its vehicles and those of its agents and customers are parked in areas and locations as approved by the County and are in compliance with existing Airport Parking Policies or as may be amended throughout the term of this Agreement.

Parking lots are provided for the general use of all airport users. Tenant shall not control or restrict the use of the parking lot adjacent its facility to other airport tenants or users.

Camper trucks, trailers and/or other temporary living facilities may not be parked overnight in any area of the Airports without written authorization from the County. No overnight camping is permitted.

6. STORAGE OF EQUIPMENT, VEHICLES AND MATERIALS

Unless otherwise authorized herein, Tenant shall not store equipment, vehicles, boats, materials, pallets, boxes, etc. on the airport other than in designated storage areas or buildings as approved by the County. Tenant shall keep all walkways and staircases free of clutter, trash, contaminants or any other personal items and equipment.

7. REPAIRS

Tenant shall repair, at its own expense, any and all damage to the property of the County or to the property of others on the Airport, and damage which has been caused by Tenant, its agents or customers who may be on the Airport for any purpose connected with the Tenant's business.

8. STORMWATER COMPLIANCE

The County has obtained a National Pollutant Discharge Elimination System ("NPDES") Permit from the Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB"), regarding stormwater discharge from the Airport, which includes stormwater discharge and runoff from the Airport. Without limitation of any other obligation of Tenant hereunder, Tenant shall comply with all laws, rules, regulations, requirements, administrative orders and/or programs imposed upon Tenant or County by the RWQCB or any other governmental entity, regarding runoff and stormwater discharge on the Airport. Tenant shall pay any cost that County incurs to take any compliance action on the Airport as a result of Tenant's failure to comply with such laws, regulations, requirements, administrative orders and/or programs. Tenant shall also pay, to the extent caused by Tenant's business on the Airport, County's costs to take any compliance action imposed upon County by the RWQCB or any other governmental entity.

Nothing in this section shall be interpreted as a waiver of any NPDES permits required by the RWQCB for activities not covered by the County's permit.

9. DISCHARGE OF CONTAMINANTS

Tenant, its agents and customers shall at no time discharge any hazardous material or substance onto the Airport. Waste oil and other contaminants shall be properly disposed of and at no time shall the Tenant use the waste oil tanks the County has provided for the non-commercial use of airport tenants.

10. SECURITY/ACCESS

Airport security shall be maintained at all times. Tenant shall take all reasonable steps to restrict unauthorized access onto airport property, including controlling thoroughfare access through the Premises. All access and security procedures shall be coordinated with and approved by the County. Tenant shall ensure that all gates it uses remain closed and locked at all times and that any mechanical problems with the gates are promptly reported to the County. Access codes shall only be provided with discretion to persons wishing to enter airport property. First-time visitors should be directed to the airport office for instructions and to receive access codes. Tenant shall monitor and report any misuse of airport security codes immediately.

11. SIGNAGE AND WINDOWS

No permanent banners or signs of any kind may be installed or displayed outside on the airport without the written approval of the County. All signage shall comply with applicable Local and County requirements. Signs and banners installed without the

written approval of the County will be removed and disposed of at Tenant's sole cost and expense.

12. HOUSEKEEPING

Tenant shall collect and remove from the airport all debris, trash, garbage, or other rubbish generated by Tenant, its agents or customers who may be on the Airport for any purpose connected with the Tenant's operation. Tenant shall ensure other areas where business is conducted are kept as clean and orderly as is reasonably possible at all times. Tenant shall ensure that walkways and areas adjacent to their Premises are clean and kept clear of oil, grease or other contaminants associated with Tenant's operation.

Tenant shall regularly dispose of pallets, crates and other shipping supplies at its facility. Tenant shall not dump waste or refuse on airport property or in facilities leased by another Tenant or vendor.

13. TRASH AND RECYCLING REMOVAL

Tenant shall dispose of recyclable materials in County provided recycling receptacles or, if Tenant has set-up its own recycling program, through Tenant's own receptacles.

Tenant shall not dispose of trash or place other non-recyclable materials in the recycling receptacles. To the extent possible, Tenant shall not dispose of recyclable materials in dumpsters or other trash receptacles.

Dumpsters and other trash and recycling receptacles may not block or obstruct in any way hangars or taxiways.

14. AIRCRAFT WASHRACK

Washing or cleaning any automobile, boat, trailer, or any other type of vehicle or equipment at the washrack or on airport property is prohibited.

15. OPERATIONS

The County shall approve all operations and activities. Tenant shall take all reasonable steps to ensure that its operations and activities create minimal impact and inconvenience to the airport and other airport users. Tenant shall not block or obstruct taxiways, roads or access routes at any time.

Tenant shall limit the weight of all vehicles it operates on the Airport to 12,500 pounds. This maximum weight shall include the weight of fuel and occupants.

Initial DD

EXHIBIT D
SPECIAL REQUIREMENTS/CONDITIONS
TO INTO-PLANE FUELING SERVICES CONCESSION AGREEMENT WITH
RABBIT AVIATION

In the event of any conflict between any provision of the Lease and this Exhibit E, the Lease provision shall prevail.

1. FUEL STORAGE SAFETY/DISPENSING REGULATIONS

At all times during the term of this Agreement, Tenant must comply with all laws, rules and regulations promulgated by County and/or by any governmental authority having jurisdiction over the storage and dispensing of all aviation fuels and hazardous materials. The County has the right to amend any rules and regulations promulgated by it from time to time, at its sole discretion, without notice.

Tenant shall furnish good, prompt, and efficient service and shall maintain an adequate supply of aviation fuel, oil, and lubricants sufficient to meet the demands of military and civilian aircraft. Tenant shall purchase and distribute a nationally recognized brand of aviation fuel. Tenant must make accommodations for the storage and distribution of both Avgas, Jet fuel and unleaded aviation fuel. Total available storage of jet fuel and Avgas at the Airport shall not be less than 12,000 gallons, combined.

2. VEHICLES

All tank trucks, automotive equipment, machinery, appliances, and other equipment used by Tenant in its operations under this Agreement shall, at no cost to County, be maintained in good mechanical condition and appearance and shall be modern, up-to-date equipment that shall at all times meet all applicable Federal Aviation Administration requirements and additional requirements that are necessary or lawfully required for fire protection and the enhancement of the safety of operations.

Tenant shall limit the weight of all vehicles it operates on the Airport to a maximum weight of 12,500 pounds. This maximum weight shall include the weight of all fuel, cargo and employees.

3. SERVICE & EMPLOYEE CONDUCT

Tenant shall ensure that all employees are trained according to all applicable laws and regulations related to on-Airport activities of the Tenant.

Tenant shall control the conduct, demeanor and appearance of its officers, employees, agents and representatives and shall require all employees to wear clean and neat appearing clothing and shall take all actions necessary to ensure courteous, polite and inoffensive conduct. Upon objection from Landlord concerning the conduct, demeanor

or appearance of any such person, Tenant shall take steps necessary to correct or to remove the cause of the objection.

Tenant shall furnish good, prompt, and efficient service so as not to reflect any discredit on County and shall, within available quantities, maintain an adequate supply of aviation fuel, oil, and lubricants sufficient to meet the demands of military and civilian aircraft serving the Airport.

As part of this concession, Tenant shall be permitted to provide the following additional services to based and transient aircraft at the Airport:

- Arrange for minor maintenance and repair services, such as lights, tires and parts replacement, as may be reasonably possible. Such arrangements shall be made with based businesses having concession agreements permitting aircraft maintenance at the Airport. In such cases as those services are not provided by based businesses, Tenant shall contact Landlord and arrange to have such services provided by an appropriate aeronautical service provider.
- Provide into-plane fueling, lubricants, fluids, and related services in accordance with all requirements and restrictions contained within this Agreement.
- Provide aircraft line services, including marshalling aircraft, ramp service for parking and towing of aircraft, luggage loading, and arranging for aircraft cleaning/detailing, in accordance with all requirements and restrictions contained within this Agreement.
- Provide suitable hard surface aircraft parking, tiedown and hangar facilities.
- Provide first-class ground-handling of transient aircraft, including "Follow Me" service, to ensure the highest and best usage of the varying weight-bearing structures of the aircraft ramp area, subject to Exhibit D.
- Engage in the sale of airmen supplies and general merchandise.
- Operate an aeronautical advisory service (UNICOM) in cooperation with other operators that may now or in the future operate on the Airport.
- Provide aircraft food catering services.
- Provide aircraft detailing services.

Initials DD

EXHIBIT E
TOXIC MATERIALS & ENVIRONMENTAL RESPONSIBILITIES

1. Compliance with Environmental Laws.

Tenant shall comply, at Tenant's sole cost, with all Environmental Laws applicable to all Toxic Materials and to the lawful conduct of the Tenant's business to the extent performed on or about the Leased Premises. It is the sole obligation of Tenant to obtain any permits and approvals required for the operation of the Tenant's business pursuant to the Environmental Laws. To the extent such action is necessary because of any Tenant's Contamination (as defined in Section 12i), Tenant shall or shall cause any responsible party to investigate the site conditions and perform to completion, in the manner provided in Section 3 of this Appendix any and all investigation, clean-up, remediation, removal or restoration work: (i) necessary to bring the Leased Premises into compliance with the Environmental Laws; (ii) necessary to bring any other real property into compliance with the Environmental Laws in the event of any migration of Toxic Materials from the Leased Premises to such other real property; (iii) necessary to maintain the Leased Premises in compliance with the Environmental Laws; or (iv) required by any federal, state, or local governmental agency or political subdivision at any time during or after the term of this Agreement; or (v) necessary to restore the condition of the Leased Premises to a level below regulatory action levels. The obligations of Tenant under this section shall survive the termination of this Agreement.

2. Business Plan.

If Tenant's business conducted or to be conducted in, on, under, or about the Premises requires the establishment and implementation of a business plan pursuant to California Health and Safety Code sections 25500, et seq., concerning the handling of hazardous materials, Tenant shall immediately give written notification to County that the Tenant's business is subject to the business plan requirement of that Code and that the business is in compliance with that Code. A copy of the plan shall be delivered to County with such notification.

3. Cleanup.

Tenant shall take all action that any federal, state, regional, municipal or local governmental agency ("Agency") lawfully requires to be taken to investigate, clean-up, remediate or remove Tenant's Contamination (the "Necessary Action"). In addition to any notification to County required by Section 4 of this Exhibit, Tenant shall promptly furnish County with a copy of all correspondence between the Tenant or its environmental consultants and each involved agency concerning the Necessary Action. On or before ten (10) business days prior to Tenant's submittal of any work plans or descriptions of the Necessary Action to each involved agency, Tenant shall furnish County with a draft copy of said document for County's review and comment. County shall have the right to submit written comments on all aspects of the work plan to the

Tenant and to each involved agency, including without limitation, comments on the remediation methodology and appropriateness of clean-up levels. Tenant shall provide County with written notice of all meetings with agencies concerning the Necessary Action, which notices shall be provided where possible ten (10) business days in advance of the meeting. County and its consultants shall have the right to attend and participate actively in all meetings with agencies concerning the Necessary Action. Except in the case of an emergency, no Necessary Action shall be commenced without:

- (i) written approval by the lead agency, if one exists, or by all agencies having and asserting jurisdiction over the Necessary Action and
- (ii) where practical, ten (10) business days written notice to County. County shall have the right to have a representative present on the Leased Premises at all times during the implementation of the Necessary Action by the Tenant. Tenant agrees that the Necessary Action will be supervised by and certified by a registered professional engineer. Tenant releases the County from responsibility for, and indemnifies the County (with counsel approved by the County) against any Liability in connection with the Necessary Action. If Tenant fails to take the Necessary Action on a timely basis, County may, but shall not be obligated to, take the Necessary Action and in such event, all costs incurred by County with respect thereto shall be for the account of Tenant and recoverable as additional rent hereunder.

4. Notice of Contamination.

If Tenant is required by statute or regulation to give notice to any agency about any Contamination, Tenant shall immediately give the County's Airport Manager the same notice by telephone, which shall be confirmed by written notice not later than the next business day. This obligation to notify County shall also extend to any personal injuries or property damage to third parties resulting directly or indirectly from said Contamination. If Tenant becomes aware of the presence of or use of any Toxic Materials not authorized in accordance with the terms of this Agreement, or of any Contamination not subject to the notification provisions of the first sentence of this section, Tenant shall immediately give written notice of such condition to County to the extent required by California Health and Safety Code section 25359.7.

5. Storage and Use of Toxic Materials.

All Toxic Materials permitted in, on, under or about the Leased Premises pursuant to this Agreement shall be stored and used in strict compliance with all Environmental Laws. There shall be no ponding or uncovered surface storage whatsoever of Toxic Materials in, on or about the Premises. No underground storage tanks shall be constructed, installed or used without County's prior written consent, which consent may be withheld by County in its sole and absolute discretion. If Tenant

is not in substantial compliance with Environmental Laws concerning underground storage tanks, or has failed to take Necessary Action when required to do so under Section 3 of this Exhibit, County shall have the right to enter the Leased Premises for the purpose of removing any underground storage tank, if any, at Tenant's sole expense in accordance with a closure plan approved by regulatory authorities. If Tenant's Contamination is detected at the time of the tank removal, clean-up shall proceed in accordance with Section 3 of this Exhibit.

6. Disposal of Toxic Materials.

Tenant shall not release or dispose of any Toxic Material, in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Premises or the Airport that will cause or contribute to a violation of Environmental Laws or Contamination. The offsite disposal of Toxic Materials shall be in strict compliance with all Environmental Laws and at Tenant's sole expense.

7. Safety.

Tenant shall maintain Material Safety and Data Sheets for each and every item or product containing any regulated amount of Toxic Material brought onto the Premises. Such information shall be kept current at all times.

8. Fees, Taxes and Fines.

Tenant shall pay, prior to delinquency, any and all fees, taxes (including excise taxes) and fines that are charged upon or incident to Tenant's activities related to Toxic Materials, provided that Tenant shall have the right to contest the validity or amount of any such fees, taxes or fines, so long as (i) Tenant establishes a reserve in the amount thereof on its financial statements, and (ii) Tenant does not allow such obligations to become a lien or charge against the Leased Premises or the Airport or upon County.

9. Delivery of Documentation.

Tenant shall deliver to County true and correct copies of the following documents related to compliance with Environmental Laws concurrently with the receipt from or submission to an agency: (i) permit applications; (ii) permits and approvals; (iii) notices of violations of Environmental Laws and Tenant's responses thereto; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Laws that the County may reasonably request from time to time.

10. Annual Site Investigation.

In addition to County's right of access to the Premises set forth in this Agreement, County shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Premises during each year of the term

of this Agreement, either alone or in conjunction with other areas of the Airport, and to engage the services of an environmental consultant or consulting firm for such inspection and assessment. Should County conduct an environmental inspection, County shall pay, one hundred percent (100%) of the reasonable cost of each such annual inspection applicable to the Premises. If the environmental inspection and assessment of the Premises discloses the existence of any Tenant's Contamination, Tenant shall take any and all Necessary Action as provided in Section 3 of this Exhibit and be responsible for reimbursing County for all costs of the environmental inspection. If County elects not to conduct an annual environmental inspection and assessment, or if County's environmental inspection and assessment fails to discover or disclose any Tenant's Contamination, Tenant shall not be excused from performing its obligations or relieved from liability to County under Section 3 of this Exhibit.

11. Expiration of Term of Agreement/Environmental Assessment.

On or before the expiration or termination of this Agreement, Tenant shall take any and all action required to be taken under the Environmental Laws in order to:

- (i) surrender the Premises to County free of any and all Toxic Materials present in amounts exceeding then applicable agency action levels as a result of Tenant's Contamination; and
- (ii) close or remove any storage tanks in, on, or around the Premises, unless otherwise directed in writing by County.

Such closure or removal shall be deemed to constitute Necessary Action within the meaning of Section 3 of this Exhibit, and all the provisions of Section 3 of this Exhibit relating to Necessary Action shall be applicable to such closure and removal. Unless waived in writing by County, Tenant, within 90 days of commencement of this Agreement and within ninety (90) days prior to the expiration or termination of this Agreement, or prior to any authorized assignment or subletting of all or any portion of the Premises, shall provide to County a written report certifying that Tenant is in compliance with the Environmental Laws, or, if this Agreement is expiring or terminating, that the Tenant has complied with the provisions of this Section 1 of this Exhibit. This report shall contain the following information:

- (i) a list of all permits issued under Environmental Laws regulating Tenant's business on the Premises and a description of all such permits;
- (ii) for each permit on the list, a description of the particular area or operation that requires compliance with such permit by the Tenant;
- (iii) for each permit on the list, a description of Tenant's compliance program for the Environmental Law or corresponding regulatory program;

- (iv) for each permit on the list, a list of all alleged violations for the prior calendar year or Annual Period, or an affirmative statement that there were no alleged violations during said period;
- (v) copies of environmental assessments or compliance audits done during the prior calendar year; and
- (vi) a certification. The certification shall be signed and notarized by an appropriate corporate manager of the Tenant who has direct responsibility for environmental compliance at the Premises. The certification shall state as follows: "I, (name), am an employee of (Tenant's name). My title is (Title). My job responsibilities include direct responsibility for monitoring and assessing environmental compliance at (Leased Premises). This report has been prepared by me or under my direct supervision during the course of my employment for (Tenant's name). I certify that I have personal knowledge of the facts in the report and that said facts are true, accurate and complete. I also certify that (the Premises) are in compliance with all applicable federal, state and local Environmental Laws except to the extent otherwise disclosed in this report. (Signature, notary seal, and date.)" Tenant shall bear all costs of such reports and shall reimburse County for any and all reasonable out-of-pocket costs incurred by County in connection with its review of such reports. From time to time during the Agreement term, but no more often than once per Annual Period, County shall have reasonable access to the Premises to conduct an environmental assessment to audit Tenant's compliance with Environmental Laws.

12. Definitions under this Exhibit

The following definitions shall apply to all terms contained within this Exhibit.

i. Contamination.

The term "Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises, or any other contamination or deterioration of groundwater, subsoil or soil in, on, under or originating from the Leased Premises.

ii. Tenant's Contamination.

The term "Tenant's Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises from and after the Commencement Date and until the termination of this Agreement and the surrender

of possession of the Leased Premises to County, but shall not include any discharge or release migrating to the Leased Premises from other land.

iii. Environmental Laws.

The term "Environmental Laws" means any and all laws, rules, regulations, judgments, orders, permits, licenses, agreements, covenants, restrictions, requirements, policies or the like enacted now or hereafter relating to or governing in any way the environmental condition of soil, air, water, groundwater or the presence of Toxic Materials in or affecting all or any portion of the Leased Premises, including, without limitation, the statutes described in the definition of Toxic Materials.

iv. Toxic Materials.

The term "Toxic Materials" means any hazardous or toxic materials, pollutants, effluents, contaminants, radioactive materials, flammables, explosives, pesticides, chemicals known to cause cancer or reproductive toxicity, emissions, wastes or any other chemicals, materials or substances, whose handling, storage, release, transportation or disposal is or becomes prohibited, limited or regulated by any federal, state, county, regional or local authority or, even if not so regulated, is or becomes known to pose a hazard or potential threat to the health and safety of any person or to the environment. The term "Toxic Materials" includes, without limitation, the following compounds:

- (i) asbestos;
- (ii) petroleum, petroleum by-products, and petroleum degradation products;
- (iii) polychlorinated biphenyls;
- (iv) all substances now or hereafter defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, section 101 (14), 42 U.S.C. section 9601(14), including petroleum, crude oil, and any fractions thereof;
- (v) (v) all substances now or hereafter defined as "extremely hazardous substances" pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, section 302(a), 42 U.S.C. section 11002(a);
- (vi) all substances now or hereafter defined as "hazardous waste" by Section 25117 of the California Health and Safety Code;
- (vii) all substances now or hereafter designated by the Governor of the State of California as substances known to the state to cause cancer or

reproductive toxicity pursuant to California Health and Safety Code section 25249.8;

- (viii) all substances now or hereafter defined as an “economic poison” pursuant to California Health and Safety Code section 12753; and
- (ix) all substances now or hereafter defined as “extremely hazardous waste” pursuant to California Health and Safety Code section 25115.

v. Liabilities.

The term “Liabilities” means any and all claims arising out of, resulting from or caused by the release, discharge, storage, handling, use, accumulation, transportation, generation, migration, disposal, investigation, clean-up, remediation or removal of any Toxic Materials caused by Tenant or any of its licensees, permittees or invitees, including, without limitation, the following:

- (i) diminution in value of the Airport or the Premises;
- (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport or the Leased Premises;
- (iii) damages arising from any adverse impact on marketing of space at the Airport or the Premises;
- (iv) sums paid in settlement of Claims (including, without limitation, attorneys’ fees, consultant fees and expert witness fees);
- (v) damages caused by the breach or nonperformance by Tenant of any covenant or other provision of this Agreement; and
- (vi) costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work necessary should the Tenant fail to comply with Section 3 of this Exhibit.

EXHIBIT F
RENT COMMENCEMENT LETTER

[Date]
[Name]
[Address]

RE: Lease 5395 – Rent Commencement Letter

Dear County of San Mateo:

In accordance with Section 5 (Term) of the above referenced lease, this letter confirms that Rabbit Aviation Services, Inc. will begin remitting monthly rent payments as established in Lease 5395 as of [Rent Commencement Date]. Pursuant to Section 5, this date is based on [select one: (i) delivery to Tenant of an original, fully executed counterpart of this Lease, (ii) Landlord's delivery of actual physical possession of the Premises to Tenant; and (iii) receipt by Tenant of a building permit.]

[If based on (iii) above then add: Attached hereto is a copy of the issued building permit.]

Should you have any questions, please contact [Contact Representative] at [Contact Information].

Thank you,

[Name]
Rabbit Aviation Services, Inc.

Agreed and Acknowledged on behalf of Landlord:

By: _____

Title: _____

Date: _____

