

FIRST AMENDMENT TO GROUND LEASE

THIS FIRST AMENDMENT TO GROUND LEASE AGREEMENT (“Amendment”), made and entered into this 27th day of August, 2019, by and between the City of Salinas, a California charter city and municipal corporation of the State of California (“Lessor”) and SEATEC UNDERGROUND UTILITIES, INC., a California Corporation (“Lessee”).

RECITALS

WHEREAS, Lessor and Lessee previously entered into a Ground Lease (“Lease”) that was approved by Lessor on September 20, 2016 for certain real property (the “Leased Premises”) as more particularly described in the Lease; and

WHEREAS, Lessor and Lessee, subject to the terms and conditions set forth below, desire to amend the Lease to expand the size of the Original Demised Premises by adding approximately 0.244 acres of land (10,638 square feet) for the construction of a 6,000 square foot aeronautical storage hangar; and

WHEREAS, Lessor and Lessee desire to enter into this Amendment to memorialize these changes; and

WHEREAS, all terms not expressly defined herein shall have the same meaning as defined in the Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions, representations, and warranties contained in this Amendment, the parties agree to enter into this transaction based on the following terms and conditions:

1. **Demised Premises.** Lessee desires to expand the total Demised Premises by incorporating Lot D-1, a 0.244 acres (10,638 square feet) parcel of land, which is more fully described on Exhibit A (Legal Description), and Exhibit B (Plat) both of which are attached hereto and incorporated herein by reference.

2. **Term.** Following the issuance of the Certificate of Occupancy by the City of Salinas for the new hangar construction, the terms, conditions, and obligations set forth in Section 3 - Term, Paragraph C, Capital Improvement Contribution shall be considered satisfied. No further contribution or action will be required by Lessee or Lessor.

3. **Maintenance and Repair of Premises.** Two new paragraphs are included in Section 6 – Repair and Maintenance of Premises to read as follows:

“Lessee agrees to maintain all storm water control measures constructed by Lessee in connection with the Demised Premises as identified in the Stormwater Control Plan Report and

Operations and Maintenance (O&M Plan) for SEATEC Aircraft Hangar of which are attached hereto and incorporated herein by reference. In addition Lessee agrees to maintain the Stormwater control measures in good order and repair and to keep said measures in a neat, clean and orderly condition, the Lessee agrees to maintain the Stormwater Control Measures as per Exhibit B2, Maintenance Procedures and Schedule, and to implement a Self-Inspection and Maintenance Program as outlined on Exhibit B3 of the Operation and Maintenance (O&M) Plan. Lessee shall provide Lessor an inspection record copy annually with the first record being delivered on December 31, 2020.”

“Lessee agrees to maintain all taxiways, ramp, aprons (“pavements”) constructed by Lessee in connection with the expansion of the Demised Premises. Pavements shall be constructed and maintained in a manner so as to not negatively impact or encumber pavements and areas adjacent to the Demised Premises.

4. **Total Rent Due.** The first sentence of Section 4 – Rental, Paragraph B (1) is replaced to read as follows:

Following the effective date of this Amendment but prior to the issuance of the building permit for the construction of the 6,000 square foot aeronautical storage hangar from the City of Salinas to Lessee, Lessee shall continue to remit payment to the City of Salinas in the amount established by the Original Lease. Following the issuance of the building permit from the City of Salinas to Lessee, provided the building permit is issued prior to next regularly scheduled rental adjustment on September 1, 2020, rent shall be payable, at the option of the Lessee, in either annual or equal monthly installments, at the annual rate of \$0.3363 per square foot, which equals \$1,731.31 per month, or \$20,775.75 per annum.

The next scheduled rental adjustment as per Section 4 – Rental, Paragraph B (2) will occur on September 1, 2020.

7. **Effective Date.** This Amendment shall be effective as of September 1, 2019.

8. **No Further Modifications.** Except as expressly modified herein, all other provisions of the Lease shall remain in full force and effect without amendment or modification.

(Signatures contained on following page)

In Witness Whereof, the undersigned have executed this Lease Amendment to Ground Lease as of the dates written below.

LESSOR:

CITY OF SALINAS

Joe Gunter, Mayor

Dated: _____

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

Dated: _____

ATTEST:

Patricia M. Barajas, City Clerk

Dated: _____

RECOMMENDED FOR APPROVAL:

Brett J. Godown, Airport Manager

Dated: _____

LESSEE:

SEATEC UNDERGROUND UTILITIES, INC.

Alan Bikle, President

Dated: _____

EXHIBIT A

MAP OF LEASED PREMISES

(see attached document)