

AMENDED GROUND LEASE

Description: A Portion of Lot 5 at the Nevada County Airport ("Property")

County: County of Nevada ("County" or "Lessor")

Lessee: John Barleycorn Investments ("Lessee")

This Ground Lease for 1.65 acres ("Lease") is entered by and between the County and the Lessee (collectively, the "Parties") for the Property.

RECITALS: The Parties agree and acknowledge the background facts and the accuracy thereof as follows:

A. The Property is comprised of a portion (1.65 acres) of Lot 5 fronting on Loma Rica Drive, Grass Valley, California. Lot 5 is part of the Nevada County Airport (hereinafter "Airport"). The Airport Terminal Building is located at 13083 John Bauer Avenue, Grass Valley, CA 95945. Not all of the 1.65 acres may be of use to Lessee, but the useful portion is being established by Lessee's due diligence.

B. A site description of the Property has been prepared by the County, and is set forth in the file of the County's Planning Department in connection with the General Plan Land Use Map Amendment changing 1.65 acres from a public designation to an industrial designation [Board Resolution No. 06-146, adopted March 28, 2006]. Exhibit A of this Lease is a GIS map of the site.

C. The County issued a Request For Proposals ("RFP") for a ground lease of the Property dated May 5, 2005 (hereinafter, the "Proposal"). The lease was awarded to Pacific Land Enterprises, Inc., and approved by Board Resolution 06-419 on August 22, 2006.

D. Pacific Land Enterprises, Inc assigned the lease to co-tenants Neal Street Investments, LLC, and Lessee. The assignment was approved by Board Resolution 07-034 on January 30, 2007.

E. Neal Street Investments, LLC reassigned the lease solely to Lessee. The assignment was approved by Board Resolution 18-136 on April 10, 2018.

F. Lessee has the requisite legal authority to enter into this lease.

G. Lessee and the County wish to amend the lease to permit Lessee to construct an approximately 20,220 square foot Office and Storage Facility which the County will then rent out for the remainder of Lessee's lease term, at which time ownership of the Office and Storage Facility and all improvements to the Property will pass to the County.

NOW, THEREFORE, THE PARTIES AGREE ON THE TERMS AND CONDITIONS AS FOLLOWS:

I. Ground Lease General Conditions

1. **GRANT OF LEASE:** The County hereby leases the Property in its entirety to Lessee subject to the terms and conditions of this Lease.
2. **USE OF THE PROPERTY:** Lessee shall only use the Leasehold and the Property for the construction and operation of an approximate 20,220 square foot Office and Storage Facility ("Warehouse"). Lessee shall seek written approval from the County prior to final design and construction of the Warehouse. The Warehouse shall include the following specifications, unless waived by the County in writing during the design phase:
 - a. Warehouse – A 60'Wx 335'L x 12'H prefabricated steel building with two (2) 10'x10' rollup doors on recessed, covered loading docks and four (4) 3'x7' man doors on a 4" concrete reinforced slab.
 - b. Warehouse designed for a 60psi snow load. Building must be ADA compliant and accessible both inside and in the front paved area of the warehouse.
 - c. Floor plans are included herein (Exhibit B).
 - d. Insulation – Shall be 6" fiberglass batts in the roof and 4" in the walls.
 - e. Fire Suppression – Shall be a standard wet system.
 - f. Climate Controlled space shall be 7,668 SF x 9' high ceilings with standard office tenant space(s)
 - g. The non-climate controlled storage space shall be insulated to Warehouse specifications.
 - h. The Warehouse must include two (2) ADA restrooms and breakroom.
 - i. The site shall be paved with lighted parking for 27 cars and up to 4 trailers.

The Lessee shall not use or permit the Leasehold or any portion of the Leasehold to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of any valid law, ordinance, or regulation of any federal, state, county, or local governmental agency, body or entity. Furthermore, Lessee shall not maintain, commit or permit the maintenance or commission of any nuisance as now defined by any statutory or decisional law applicable to the Leasehold or any part of the Leasehold.

No change in the use shall be authorized except pursuant to an amendment of this Lease. Use of the Property by the Lessee or any sub-lessee shall at all times be in compliance with all federal, state, and local laws and regulations, now in effect or hereafter promulgated, including any licensing or permit requirements.

"Improvements" shall be constructed by Lessee, including but not limited to buildings, sheds, fences, pavements, drainages and any other works or structures needed for light industrial use.

Any liens during construction of the warehouse incurred by the Lessee shall be placed on the Contractor and or Lessee and not the Lot 5 property.

Unless released in writing by LESSOR, Lessee shall continue to remain obligated under all covenants and conditions of this Lease. In furtherance of the foregoing, LESSOR shall not unreasonably withhold his consent to a release of Lessee of its remaining obligations under this Lease provided Lessee's proposed assignee has sufficient creditworthiness, financial strength and experience to properly carry out the obligations of Lessee under this Lease and such proposed assignee agrees to assume all of the obligations of Lessee under this Lease. Any such sale, transfer, assignment, or sub-

lease shall not be valid unless the purchaser, transferee, assignee or sub-lessee shall first assume in writing, all obligations of Lessee under this Lease.

Any sale, transfer, assignment or sub-lease in violation of this Section shall be for all purposes a default hereunder and a material breach hereof, and shall be cause for termination of this lease and forfeiture of all right, title and interest hereunder or otherwise, if not cured within thirty (30) days of written notice thereof to Lessee.

3. **INSPECTION OF THE PROPERTY:** The County shall have the right of access to enter the Property, including buildings, for the purpose of inspection and verification of compliance with this Lease and all laws upon reasonable notice to the Lessee and reasonable accommodation of the Lessee.

4. **TERM OF LEASE:** The lease commenced on August 22, 2006 shall end on August 22, 2046, (the "Term") unless terminated earlier in accordance with the terms of the Lease.

5. **DEFINITION OF RENT:** The term "rent" shall include any reference to "Base Rent" as defined in Section 6 herein, "Inflated Base Rent" as defined in Section 7 herein, and "Base Rent Adjusted" as defined in Section 8 herein.

6. **BASE RENT:** As of July 2022, the Base Rent has been adjusted per Section 7 and 8 through Resolutions 12-480, 18-137 and in conformance with Section 8 the Base Rent is currently \$1,501.33 per month.

7. **INFLATED BASE RENT:** An inflationary increase shall be made to the Base Rent after the first 12 months of rent payment, and each twelve-month period thereafter throughout the Term except in years 6, 11, 16, and 21 (when the Initial Base Rent is adjusted as set forth in Section 8 herein). The inflationary increase shall be equal to the inflationary increase shown in the Consumer Price Index, All Urban Consumers, San Francisco CMSA, All Items for the closest 12-month period for which figures are available, for the Grass Valley general vicinity or same or similar locations, but shall not exceed 4% of the Base Rent annually on a non-compounded basis.

8. **BASE RENT ADJUSTMENT:** After the conclusion of each five-year period of rent payment, the base rent shall be re-evaluated and adjusted (increased or decreased) based upon prevailing rates for light industrial ground leases at other general aviation airports of similar size and location such as Auburn, Lincoln and Marysville. Thereafter the Base Rent, as adjusted, shall be the Base Rent subject to the inflationary increase during the subsequent four-year period as required by Section 7 herein.

9. PAYMENT OF RENT: The Base Rent or Inflated Base Rent shall be due and payable monthly, in advance, on the first day of each month throughout the Term and any extension thereof. Rent shall be pro-rated if rent applies to a fraction of a month. Rent shall be delinquent if not received by the County by the 10th day after the due date, and on the 11th day an automatic late charge shall be imposed in an amount equal to 10% of the rent then due.

10. RENTAL VALUE DISPUTE RESOLUTION: If the Parties are unable to agree on an adjustment to rent as contemplated within this agreement, the Parties agree to select and appoint a licensed real estate appraiser (the "Appraiser") who is generally familiar with Grass Valley and the airports referred to herein. The Appraiser shall determine the market lease rate for ground leases as contemplated herein and based upon such determination, shall establish the amount of adjustment to the Base Rent. The determination of the Appraiser shall be final and binding on the Parties. The Parties shall bear equally the cost in retaining the Appraiser.

11. Lessee IMPROVEMENTS - CONSTRUCTION AND REVERSION: At Lessee's sole cost and responsibility, the Lessee shall construct the Warehouse and any other improvements (the "Improvements") in compliance with all applicable federal, state, local codes and building code regulations, including all required tests, inspections and technical studies. The rent under this Lease shall not be affected by the construction of the Improvements. Any toxics or contaminants brought onto the Property during or after construction of Improvements shall be removed and/or remediated as soon as discovered at Lessee's sole expense. Lessee shall comply with: (1) all requirements related to the Airport Layout Plan (2005), the Airport Facilities requirements related to the Airport Master Plan (1981 amended in 1992, 1997 and 2003), as they currently exist or are hereafter amended; and (2) all FAA assurances. The Improvements shall not be removed or damaged upon termination of the Lease. Upon termination of the Lease, ownership of the Improvements shall transfer to the County and shall be transferred in good, working condition, reasonable wear and tear excepted, without compensation or any instrument of transfer unless otherwise agreed to in writing by the County.

12. TAXES: Lessee shall pay during the Term, without abatement, deduction, or offset, any and all real and personal property taxes, general and special assessments and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed during the Term by any governmental agency or entity on or against the Leasehold Estate and Premises, the Improvements located on the Leasehold, personal property located on or in the Leasehold or Improvements, and the Leasehold. Lessee shall have the duty of attending to, preparing, making and filing any statement, return, report or other instrument required or permitted by law in connection with the determination, equalization, reduction or payment of any taxes, assessments or other charges that are or may be levied on or assessed against the Leasehold, the Improvements located on the Leasehold, personal property located on or in the Leasehold or Improvements, and the Leasehold.

13. UTILITIES: Lessee shall be solely responsible for arranging and paying for any utilities serving the Property during pre-construction and construction and will be transferred to the County upon execution of the Commercial Lease Agreement

14. MAINTENANCE AND REPAIRS: Except as otherwise provided for herein,

Lessee shall be solely responsible for any and all reasonable maintenance and repairs of any Improvements made to the Property by Lessee until one (1) year warranty period has expired. Contractor shall be required to repaired related defects or failures to the building, parking lot or mechanical equipment within the one (1) warranty period of construction.

County will be solely responsible for any and all maintenance and repairs of any Improvements made to the Property by Lessee after one (1) year warranty expires and for the duration of the Lessee's Lease term.

15. WARRANTIES AND REPRESENTATIONS OF COUNTY: The County makes the following warranties and representations to the Lessee regarding the Property:

- a. The condition of the Property is not in violation of any local, state, or federal law.
- b. There are no toxic or other hazardous materials located on the Property.
- c. The Property has been defined by a survey and the dimensions and location of the boundaries of the Property have been identified and marked and that the Lessee may rely upon such boundary markers for development and construction of the Improvements on the Property.
- d. There are no liens or encumbrances on the Property other than those disclosed in a preliminary title -report provided by the County as of the commencement date of this Lease.
- e. The County will cooperate with Lessee in providing appropriate subordination agreements as may be required or reasonably necessary for Lessee to acquire construction and permanent financing for the construction of the Improvements to the Property.
- f. The County agrees to record with the Nevada County Recorder's Office a summary notice of this Lease or amendments thereof or other document reasonably requested by Lessee.
- g. County warrants there are no liens, judgments, or impediments of title on the subject Property or affecting Lessee's interest in the same, and there are no covenants, easements or restrictions that prevent the use of the Property as contemplated herein by Lessee.

16. LESSEE INSURANCE: Lessee's Liability Coverage Requirements. Lessee shall, at Lessee's sole expense, procure and maintain for the duration of the Lease Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with Lessee's operation and use of the leased premises. Coverages shall be at least as broad as:

- a. Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed

operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence with \$2,000,000 aggregate and a \$5,000,000 umbrella policy. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

- b. Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to \$2,500,000 and no coinsurance penalty provisions. Upon issuance of the certificate of occupancy Builder's Risk policy is no longer required.
- c. Property Insurance against all risk of loss to any Lessee improvements or betterments at full replacement costs with no coinsurance penalty provision. The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property shall name the LESSOR as a loss payee of Lessee's Warehouse and all other related improvements located on the Premises, including vandalism and malicious mischief endorsements. The proceeds from any such policy shall be used by Lessee for the repair and replacement of the Premises. Lessee shall cooperate with LESSOR to the maximum extent possible to assure said proceeds are so utilized.
- d. Professional Liability with limits no less than \$2,000,000 per occurrence or claim, and \$2,000,000 policy aggregate apply to the general contractor. Upon issuance of the certificate of occupancy Professional Liability policy is no longer required.
- e. If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the LESSOR requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the LESSOR.
- f. Construction of Lessee improvements shall be performed by a contractor and/or subcontractors licensed by the State of California. At all times during the construction and/or repair of Lessee improvements, Lessee and Lessee's contractors shall comply with the licensing and permit requirements of any and all federal, state, municipal or local authorities. At all times during the construction and/or repair of Lessee improvements Lessee's contractors and subcontractors shall be the Lessee's agent. Contractors and subcontractors performing construction operations associated with the Lessee's improvements shall procure and maintain for the duration of the project insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Lessee's contractor, his agents, representatives, employees, or subcontractors:
 - (a) Workers' Compensation and Employer Liability Coverage: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
 - (b) Commercial General Liability Insurance (CGL): Insurance Services Office Form 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury, personal injury, and advertising injury with limits no less than \$1,000,000

per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

- (c) Automobile Liability: Insurance Services Office (ISO) Form CA 0001 covering Code 1 (any auto), with limits no less than \$1,000,000 per accident for bodily injury and property damage.
 - (d) If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the LESSOR requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the LESSOR.
 - (e) Lessee shall require and verify that all contractors and subcontractors maintain insurance meeting all requirements stated herein, and Contractors and subcontractors shall ensure that County is an additional insured on insurance required from contractors and subcontractors. For CGL coverage, contractors and subcontractors shall provide coverage with a form at least as broad as CG 20 38 04
- g. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:
- (a) Additional Insured Status: The County, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of the work or operations performed by or on behalf of the Lessee including materials, parts, or equipment furnished in connection with such work or operations. General Liability coverage can be provided in the form of an endorsement to the Lessee's or contractor's or contractor's subcontractors insurance at least as broad as ISO Form CG 20 10).
 - (b) For any claims related to this Lease Agreement, the Lessee's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 03 as respects the LESSOR, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the LESSOR, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.
 - (c) Notice of Cancellation: each insurance policy required above shall endeavor to provide thirty (30) days written notice to LESSOR of any termination or change in coverage protection, or reduction in coverage limits (except ten (10) days' notice shall be required for non-payment of premium).
 - (d) Lessee hereby grants to LESSOR a waiver of any right to subrogation which any insurer of said Lessee may acquire against the LESSOR by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the LESSOR has received a waiver of subrogation endorsement from the insurer.
 - (e) Insurance is to be placed with insurers authorized to conduct business in

the state with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the LESSOR.

- (f) Lessee shall furnish the LESSOR with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the policies listing all policy endorsement to LESSOR before occupying the premises. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them. The LESSOR reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.
- (g) LESSOR reserves the right to modify these requirements at any time, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstance

17. COUNTY INSURANCE: County has elected to self-insure for general liability and worker' compensation in accordance with Government Code 990 and Labor Code 3700. Under this form of coverage, the County and its employees acting in the course and scope of their employment are covered for tort and workers' compensation liability arising out of official County business and use of the property. All claim against the County based on tort liability should be presented as a government tort claim to the Clerk of the Board at 950 Maidu Avenue, Suite 200, Nevada City, CA 95959. (Gov. Code Section 900, et. Seq.).

18. INDEMNITY: Nothing herein shall be construed as a limitation of Lessee's liability, and Lessee shall indemnify, defend and hold County harmless for any and all liabilities, claims, demands, damages, losses and expense which County may incur by reason of willful misconduct, or negligent actions or omissions of Lessee, or the agents, servants, and employees of Lessee, or which may arise out of the use, occupation, and enjoyment of the site Property by Lessee or the agents, servants, and employees of Lessee, or by any person or entity holding under Lessee, or by any or Lessee's invitees or agents.

19. INDEMNIFICATION OF LESSEE: Nothing herein shall be construed as a limitation of County's liability, and County shall indemnify, defend and hold Lessee harmless for any and all liabilities, claims, demands, damages, losses and expense which Lessee may incur by reason of willful misconduct, or negligent actions or omissions of County, or the agents, servants, and employees of County. Lessee shall utilize the Government Claims Act for any indemnification claim against the County.

20. DEFAULT: The Parties hereto agree that the unlawful detainer provisions of the California Civil Code and the California Code of Procedure apply. The occurrence of any one or more of the following events is a default hereunder and constitutes a material breach of this Lease by Lessee.

- a. The abandonment of the Lease by Lessee.
- b. The failure by Lessee to make any payment of the Rent required to be made by Lessee hereunder, as and when due, where the failure continues for a period of thirty (30) days after notice thereof from County to Lessee.
- c. The failure by Lessee to promptly commence, diligently pursue to completion the construction of the Improvements, and cause to be filed a notice of completion.
- d. The failure by Lessee to carry and maintain, or to require each Sub- Lessee to carry and maintain, any policy of insurance as required hereunder.
- e. The failure by Lessee to make any other payment as required hereunder, as and when due, where the failure continues for a period of thirty (30) days after notice thereof from County or Lessee.
- f. The failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Lessee, where the failure continues for a period of thirty (30) days after written notice thereof from County to Lessee; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are responsibly required for its cure, then Lessee shall not be deemed to be in default if Lessee commences such cure within the thirty (30) day period and thereafter diligently completes the cure.
- g. The failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Lessee, where such failure may not be cure.
- h. In the event of any such default or other material breach of this Lease by Lessee, County may, after giving such notice as provided above, or if not provided, as required by law, pursue those remedies set forth in Civil Codes Sections 1951.2 and/or 1957.4, and by this reference is made part of the Lease.
- i. County's waiver of a default shall not be deemed a waiver of any term, condition, or covenant hereunder, and shall not be deemed a waiver of County's right to enforce any remedy upon any future default.

21. DEFAULT BY COUNTY. County shall not be in default unless County fails to perform obligations required of it within a reasonable time, but in no event later than thirty (30) days after written notice of the nature of the problem and request to cure by Lessee to County; provided that if the nature of County's obligation is such that more than thirty (30) days are reasonably required for performance, then County shall not be in default if County commences performance within thirty (30) days and thereafter diligently completes performance.

If County defaults in the performance of any of the obligations or conditions required to be performed by County under this Lease, Lessee may in no event withhold payment of the Rent or apply said rent to cure the alleged default.

22. TERMINATION OF LEASE: If this Lease shall terminate for any reason other than a default by the County, County shall not be obligated to return, reimburse, compensate or pay Lessee for the cost or value of the Improvements or any portion thereof or for the costs and expenses attendant to the obligations assumed by Lessee hereunder, or otherwise.

23. QUITCLAIM UPON TERMINATION. If this Lease shall terminate for any reason, or otherwise expire, then in that event, Lessee shall, upon demand therefore, promptly execute in good and sufficient form a quit claim deed re- conveying to County all of Lessee's right, title and interest in and to the Property.

Remainder of this page intentionally left blank

II. Lease-Lease Back: For this section the Lessor is “John Barleycorn Investments”, and the Lessee is “County of Nevada”.

a. COMPLETION OF THE WAREHOUSE- COUNTY COMMITMENTS The Parties agree to enter into a standard Commercial Lease Agreement with a mutual understand of the following terms:

(a) The County will lease the Warehouse from the Lessee upon, final inspection and approval by the Nevada County Building Department and with written approval of County acceptance of final completion.

(b) The term of the lease will begin upon approval and execution from the Board of Supervisors. After August 22, 2046, ownership of the Office and Storage Facility and all Improvements transfers to the County.

(c) The base rental rate is agreed to begin at \$1.25 per square foot or \$25,275 per month. The lease-lease back rate will increase at 3% annually beginning on the anniversary date for lease-lease back for years 1-15.

During year 15 of the lease-lease back agreement the base rent shall be re-evaluated and adjusted (increased or decreased) based upon prevailing market rental rate for mix use office and warehouse space of similar size in Nevada County for the year 16 adjusted base rent. Evaluated rate must be agreed upon in writing by both parties. The evaluated rate shall not go below \$1.25 per square foot or \$25,275 per month.

Thereafter the new adjusted rate of the lease-lease back will increase at 2% annually for years 16 through August 22, 2046.

(d) Base Rental Rate payments shall commence upon occupancy which is anticipated to be on or around April 1, 2024

(e) The County shall pay for any and all taxes applicable to the property, property insurance and common area through Triple Net (NNN.) Any change in the NNN shall be notified no less than 30 days prior to January of each year for the next twelve-month period.

(f) The County shall pay all utilities after occupancy.

(g) The County shall maintain the building and mechanical systems in accordance with standard county maintenance practices and will repair any damage caused to the building or mechanical systems by County staff or equipment.

b. COMPLETION OF THE OFFICE AND STORAGE FACILITY - LESSEE COMMITMENTS The Parties shall enter into the Commercial Lease Agreement as attached with a mutual understand of the following terms subject to John Barleycorn Investment, LLC hired contractor:

- (a) Lessee will keep up to date/active Contractor's License, bonds and insurance in accordance with the requirements of California Contractor Association
- (b) Lessee will warranty for one (1) year beginning on the commencement date of the Commercial Lease Agreement. The warranty shall cover construction and construction integrity including but not limited to, interior, exterior, mechanical system installations, doors, windows and foundation of the structure and parking area(s).
- (c) Lessee shall maintain a safe and clean worksite at all times during pre-construction and construction.
- (d) Lessee shall maintain working hours not earlier than 7am or later than 8pm. Unless otherwise agreed and approved by the Facilities Director.
- (e) Lessee shall provide portable restrooms and job trailer during pre-construction and construction and shall remove such items upon project completion
- (f) Lessee shall provide an emergency operations plan to the County prior to construction kick-off.
- (g) Lessee shall provide project updates as requested or at minimum monthly, to the Director of Facilities and County Airport Manager.
- (h) Lessee shall obtain all applicable building permits, inspections and testing required during course of construction.
- (i) Upon final approved inspection, Lessee shall provide the County with a copy of all as-built plans, approved permits and all manufactures warranty documents and owner's manuals of all mechanical equipment installed.

All terms and conditions herein to this amended Ground Lease in their entirety shall be included in the Commercial Lease Agreement (Exhibit C).

III. Additional Terms

24. NOTICE: All acceptances, approvals, consents, notices, demands or other communications required or permitted to be given or sent by either party to the other shall be deemed to have been fully given when made in writing and delivered in person or deposited in the United States mail, certified and postage prepaid, addressed to:

Lessee:

John Barleycorn Investments
130 East Main Street
Grass Valley, CA 95945

County:

County of Nevada, County Nevada County Airport
Attention: Facilities Director
12818 Loma Rica Drive Grass Valley, CA 95945
(530) 273-3374 voice (530) 274-1003 fax

The Address to which any such written communication may be given or sent to either party may be changed by written notice given by such party as above provided.

25. MISCELLANEOUS:

- a. No Other Agreements. All preliminary and contemporaneous agreements and understanding are merged and incorporated into this Lease that contains the entire agreement between the parties. This Lease may not be modified or amended in any manner except by an instrument in writing excluded by the parties hereto.
- b. Successors to County. Should County at any time during the term of this Lease or any extension hereof, decide to sell all or any part of the Property to a purchaser other than Lessee, such sale shall be under and subject to this Lease and Lessee's rights hereunder, and any sale by County of the portion of the subject property underlying any right-of-way herein granted shall be under and subject to the right of Lessee in and to such right-of-way.
- c. No Agency. This Lease does not create a relationship of principal and agent, or partnership, or joint venture, or any association other than that of Lessor and Lessee.
- d. Binding on Successors and Assigns. This Lease shall extend to and bind the parties hereto, their representatives, successors and assigns.

- e. Attorney Fees: In the event either of the Parties initiates legal action to enforce the provisions of this Lease, the prevailing party shall be entitled to recover actual attorney's fees incurred and costs.
- f. Force Majeure. Notwithstanding anything .in this Lease, if either party is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes, labor troubles, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, rebellion, war, act of God, or other reason whether of a like nature or not which is beyond the reasonable control of the party obligated to perform the work or acts required under the terms of this Lease, then the performance of that term, covenant or act is excused for the period of the delay and the party will be entitle to perform that term, covenant or act within the appropriate time period after the expiration of the period of the delay. However, the provisions of this Section do not operate to excuse Lessee from the prompt payment of Rents.
- g. Signs. Lessee shall not erect, display or permit to be erected or displayed on the Airport any sign or advertising matter of any kind without first obtaining the written consent of the LESSOR's Airport Manager, which approval shall not be unreasonably withheld.
- h. Authority. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.
- i. Severability. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall no invalidate the remaining provisions of this Agreement.
- j. Governing Law. This Agreement shall be governed by the Laws of the State of California, and venue for any litigation shall be located in Nevada County, California.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

By: _____ Date: _____

Printed Name/Title: Justin Drinkwater, Director of Facilities Management

Approved as to Form – County Counsel:

By: _____ Date: _____

Lessee: Click or tap here to enter text.

By: _____ Date: _____

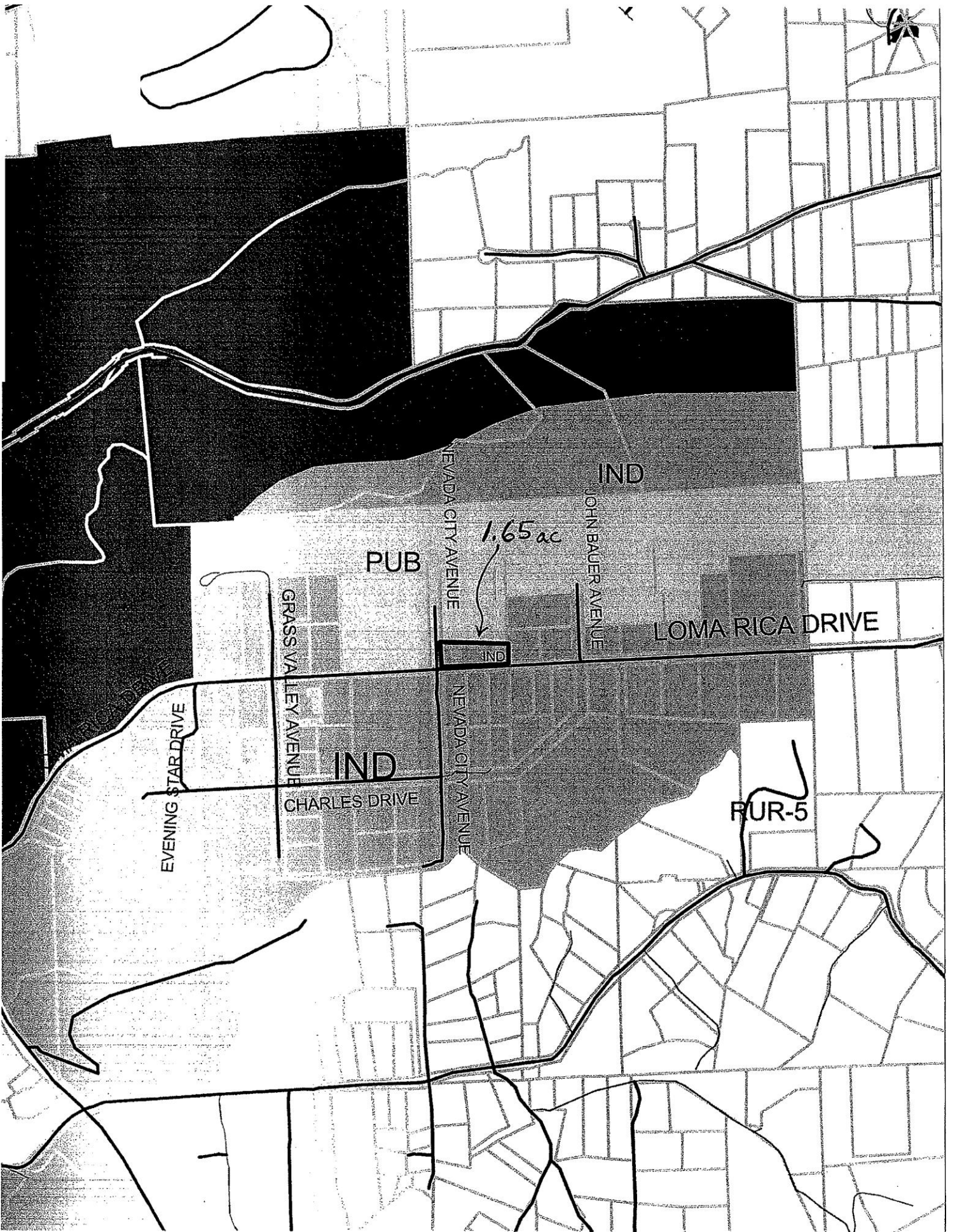
Name: _____

* Title: _____

By: _____ Date: _____

Name: _____

* Title: _____Secretary_____



Lot 5 - Exhibit A