

COUNTY OF SAN MATEO

GROUND LEASE

(No. 5325)

KIEWIT PACIFIC CO.

Half Moon Bay Airport

Half Moon Bay, California

TENANT: KIEWIT

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GROUND LEASE
(No. 5325)
Half Moon Bay Airport
Half Moon Bay, California
KIEWIT PACIFIC CO.

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:	April 1, 2008
Landlord:	County of San Mateo
Tenant :	Kiewit Pacific Co. (and permitted successors and assigns)
Property (Section 4):	Half Moon Bay Airport, 9850 Cabrillo Highway North, Half Moon Bay, California 94019
Premises (Section 4):	Portions of the property as shown on the attached Exhibit A (Site Plan of Premises).
Rentable Area of Premises (Section 4):	Approximately 18,000 square feet of Unimproved Land. Non-exclusive use of the Property's common areas and parking facilities, subject to the provisions of Exhibit C, Special Requirements/Conditions.
Term (Section 5):	Estimated commencement date: May 1, 2008

Expiration date:
December 15, 2008

There is one option to renew for an additional four (4) months, on a month-to-month basis, under the same terms and conditions.

Base Rent (Section 6):	Monthly payments: \$4,500.00 (approx. \$0.25 per sq. ft.)
Rent Adjustment Dates (Section 8):	Not Used
Concession Fee (Section 6)	Not Used
Use (Section 12):	For use as a staging and assembly area for the Devil's Slide tunnel project
Tenant Improvements (Section 13):	None
Utilities and Services (Section 16):	Not Used.
Security Deposit (Section 23):	None
Notice Address of County (Section 41):	County Manager Attn: Real Property Services 400 County Center Redwood City, California 94063 Fax No.: (650) 363-4832
with a copy to:	County of San Mateo Department of Public Works Airports Division Attn: Mark Larson 620 Airport Drive San Carlos, California 94070 Fax No. 650-593-3762
and to:	Office of County Counsel 400 County Center, 6 th Floor Redwood City, California 94063 Fax No.: (650) 363-4034

Key Contact for County: Mark Larson
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): Kiewit Pacific
930 Oddstad Blvd.
Pacifica, CA 94044
Key Contact for Tenant: James Bonner, P.E.
Structures Project Engineer
Telephone/Fax Nos.: Phone: 650-290-5100
Fax: 866-406-0776
Alternate Contact for Tenant: Mark Ramsey
Concrete Lining Manager
Telephone No.: Phone: 650-290-5100
Brokers (Section 44 (V)): N/A
Other Noteworthy Provisions:

2. PARTIES

This Ground Lease ("Lease"), dated, for reference purposes only, this 1st day of April, 2008 is made by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("Landlord" or "County") whose address is:

County of San Mateo
Real Property Division, County Manager's Office
455 County Center, 5th Floor
Redwood City, CA 94063

and KIEWIT PACIFIC CO., a Delaware Corporation ("Tenant") whose address is:

930 Oddstad Blvd.
Pacifica, CA 94044

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 that certain real property consisting of approximately 18,000 square feet of unimproved land, together with the non-exclusive right of access over and through such portions of the Airport as are necessary for Tenant's Use of the Premises, and more particularly shown in Exhibit A ("Premises"), which Premises is a portion of the Half Moon Bay Airport ("Property").

5. TERM

The term of this Lease shall commence on May 1, 2008 and shall expire on December 15, 2008. Tenant shall have the option to renew for one additional four month period as set forth in Section 7 (Extension Option).

6. MONTHLY RENTAL

A. Base Rent

Tenant agrees to pay to Landlord as rental, without prior notice or demand, for the Premises the sum of \$4,500.00 ("Base Rent") on or before the first day of the first full calendar month of the term hereof, and a like sum on or before the first day of each and every successive calendar month thereafter.

The Base Rent and any other amounts due hereunder are sometimes collectively referred to herein as "Rent."

B. Concession Fee

Not Used.

C. Utility Charge

Not used.

D. Payment of 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 rental shall be paid to Landlord at:

County of San Mateo
Department of Public Works
Airports Division
620 Airport Drive
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. 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).

E. Interest on Late Payment

Any Rent, if not paid within five (5) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law (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

Tenant shall have the right to extend the Initial Term of this Lease (the "Extension Option") for one additional term of four months (the "Extended Term"). Tenant may exercise the Extension Option, if at all, by giving written notice to Landlord no later than thirty (30) days prior to expiration of the term to be extended; provided, however, if Tenant is in material default hereunder on the date of giving such notice and fails to

cure such default as provided herein, Landlord may reject such exercise by delivering written notice thereof to Tenant promptly after such failure to cure.

Such Extension Option shall be subject to all other terms and conditions contained in this Lease, except that County, by and through the County Manager or the Manager's Designee, or Tenant, shall have the option to terminate this Lease at anytime during the Extended Term, at will and with or without cause by giving written notice to the other party at least thirty (30) days in advance, provided however, in the event that County terminates the Lease under this provision, County will work in good faith to relocate Tenant as set forth in Section 21 (Early Termination) hereof.

8. RENTAL ADJUSTMENTS

Not Used

9. GROSS REVENUES

Not Used

10. ACCOUNTS AND RECORDS

Not Used

11. LATE CHARGES AND RETURNED CHECK CHARGE

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent 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 installment of rent or of a sum due from 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 hereof, a late charge equal to six percent (6%) of the total balance due at that time or Fifty Dollars (\$50.00), 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.

12. USE

Tenant shall use the Premises exclusively for use as non-aviation related staging and assembly area for activities associated with the Devils Slide tunnel project. Tenant shall not use or permit the Premises to be used for any other purpose without the prior consent of Landlord. All use shall be subject to Airport rules and regulations

Tenant shall not do or permit anything to be done in or about the Premises 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 Premises or any of its contents, or cause cancellation of any insurance policy covering the Premises or any part thereof or any of its contents. Tenant shall not use or allow the Premises 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 Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

13. TENANT IMPROVEMENTS

Not Used

14. USE OF AIRPORT FACILITIES

Use of Airport facilities outside of the Premises are not included as a part of this Lease. If Tenant uses other facilities on the Airport, which are normally open to and usable by the public, Tenant shall do so as a general member of the public. Such use shall be subject to Airport rules and regulations and if Landlord normally receives payment for use of these facilities, Tenant shall pay Landlord in accordance with fees charged users of the facilities.

15. MOTOR VEHICLES/PARKING

Tenant shall ensure that its vehicles and those of its agents and customers are parked on the Premises or 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 and/or other temporary living facilities may not be parked overnight in any area of the Property without written authorization from the Landlord. No overnight camping is permitted.

16. UTILITIES

During the term of this Lease, Tenant shall be responsible for providing, at its own expense, all utilities and services, including, but not limited to electricity, water, sewer, gas, trash and waste disposal, required for the Premises and any improvements, alterations or additions thereon.

17. JANITORIAL SERVICES

Not Used

18. ASSESSMENTS/TAXES

Tenant shall pay all federal, state and local taxes that are levied or required with respect to its employees, such as, but not limited to, social security and workers' compensation. 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 due to Tenant's use of the Premises. 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.

19. 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 charges due hereunder. Tenant agrees to pay promptly when due, any possessory interest tax imposed on its interest in the Premises.

20. MAINTENANCE AND REPAIRS

Throughout the term of this Lease, Tenant shall, at Tenant's sole expense, maintain the Premises and any improvements within the Premises or related to the Tenant's operation, equipment and other personal property thereon, in good sanitary order, condition and repair in accordance with all applicable laws, rules, ordinances, orders and regulations of (1) federal, state, county, municipal or other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; and (3) all insurance

companies insuring all or any part of the Premises, or improvements, equipment, and other personal property at the Premises. All repairs and maintenance shall be the sole duty of the Tenant and at the Tenant's sole expense.

Neither offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard shall ever be permitted to accumulate or remain at the Premises. The Premises shall be kept at all times in an orderly manner to the satisfaction of Landlord. Tenant shall be responsible for the costs and coordination of all necessary pest and vermin control services within the Premises.

Comment: Remove both (to the satisfaction)

Tenant shall, upon the expiration or termination of this Lease, surrender the Premises to Landlord in the same condition as when delivered to Tenant.

21. EARLY TERMINATION

Tenant hereby acknowledges that its use of the property is not an Aviation related or County use. During the initial term of this lease, if a demand for such use or any other use deemed necessary by County cannot be reasonably accommodated by existing available space, County shall have the right to terminate this Lease, at any time, upon thirty (30) days written notice to Tenant. As set forth in Section 7, during the extended Term, County or Tenant may terminate this agreement upon thirty (30) days notice at will and without cause.

However, in the event that County terminates the Lease pursuant this section, County shall use commercially and operationally reasonable efforts in assisting Tenant in identifying a "Replacement Location" on the Airport. In the event an adequate and suitable Replacement Location is identified mutually agreed upon, this Lease shall remain in full force and effect, and Tenant shall have thirty (30) days to relocate Tenant's property and restore the Premises as set forth in Section 24 (Surrender of Premises). Tenant shall pay all relocation costs incidental to such substitution of the Premises.

Comment:

22. DAMAGE OR DESTRUCTION

If, during the term of this Lease, any improvements that are a part of the Premises are damaged from any 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 case of damage there shall be an abatement or reduction of rent, between the date of the damage and the date of completion of restoration, based on the extent to which the damage interferes with Tenant's use of the Premises. To the extent any damage to said

improvements is due to the fault or neglect of Tenant, its agents, contractors, employees or invitees, there shall not be an abatement or reduction of rent to such extent. Additionally, tenant shall be responsible for the cost of any required restoration or repairs of damages caused by the fault or neglect of Tenant, its agents, contractors, employees or invitees.

Landlord shall not be required to restore or replace any property installed in the Premises by Tenant. 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, Tenant's personal property, loss of revenue, or any inconvenience or annoyance occasioned by such damage or restoration.

23. SECURITY DEPOSIT

Not used.

24. 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, except as may be specifically provided to the contrary in other provisions of this Lease. All property that Tenant abandons on the Premises after termination, shall, at Landlord's election, become Landlord's property at the expiration or termination of this Lease.

25. ENTRY BY LANDLORD

Landlord reserves and shall at any and all reasonable times, with the accompaniment by authorized County personnel, have the right to enter the Premises, upon reasonable notice to Tenant, 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 or gates in, upon and about the Premises, excluding Tenant's vaults, cabinets, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors or gates in an emergency, 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.

26. RESERVATIONS

This Lease shall at all times be subject to such easements or rights-of-way for such sewers, pipe lines, 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.

27. 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.

28. ALTERATIONS AND ADDITIONS

Tenant shall not make any alterations or additions to the Premises without Landlord's prior written consent. In making any alterations or additions, Tenant shall comply with the following:

A. Tenant shall submit reasonably detailed final plans and specifications and working drawings of the proposed alterations and the name of its contractor at least thirty (30) days before the date it intends to commence the alterations.

B. 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.

C. The alterations shall be approved by Landlord and all appropriate government agencies, and all applicable permits and authorizations shall be obtained before commencement of the alterations.

D. All alterations shall be completed with due diligence in compliance with the plans and specifications and working drawings and all applicable laws.

E. Any alterations made shall remain on and be surrendered with the Premises on 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.

29. 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 days shall be deemed a vacation or abandonment.)

The failure by Tenant to make any payment of rental, 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) days after notice thereof by Landlord to Tenant.

- (ii) 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.
- (iii) 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 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 amount specified in this Section, 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 ninety (90) 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.

30. 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 and defects on the property in which the Landlord has no control;
- (ii) The acts or omissions of Tenant, its officers, agents, employees, servants, invitees or permittees; or
- (iii) The failure of Tenant, its officers, agents, employees, servants, invitees or permittees, 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.

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.

B. Fire legal Insurance

Tenant at its sole cost shall maintain fire legal insurance on the Premises with a limit of at least One Hundred Thousand Dollars (\$100,000); with water damage and debris clean up provisions to be included. The insurance policy shall provide that any proceeds shall be made payable to Landlord.

C. Fire and Extended Coverage Insurance

Tenant at its cost shall maintain on the improvements that are a part of the Premises a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of at least the replacement value of the improvements, which are a part of the Premises. The insurance policy shall be

issued in the names of Landlord and Tenant as their interests appear. The insurance policy shall provide that any proceeds shall be payable to Landlord.

Tenant shall secure, and shall maintain at all times during the term of this Lease, insurance against damage or destruction by fire, windstorm, riot or civil commotion on Tenant's improvements at the Premises, if any, in the full amount of their replacement value, with such provision in the policies issued to cover the same, or in riders attached thereto, as shall provide for payment for losses thereunder sustained by Tenant; the proceeds of said policies to be held in trust by any reputable bank or trust company. Landlord shall release all proceeds from insurance policy.

D. Liability and Property Damage Insurance

Tenant at its cost shall maintain Comprehensive Liability insurance for the following coverages with the following limits insuring against all liability of Tenant and its authorized representatives arising out of and in connection with Tenant's use or occupancy of the Premises:

- (i) Airport Premises Liability with a minimum limit of \$1,000,000 Combined Single Limit (CSL) each occurrence; and
- (ii) For Tenants who operate aircraft, Aircraft Liability with a minimum limit of \$1,000,000 CSL each occurrence with a minimum sub-limit \$100,000 each person. The policy shall include coverage for Owned, Non-Owned or Leased aircraft;
- (iii) For Tenants who operate vehicles on the airport, Commercial Automobile Liability for all Owned, Non-Owned and Hired automobiles with a minimum limit of \$1,000,000 each accident;
- (iv) For Tenants who take control of customers aircraft, Hangarkeepers' Liability with a minimum limit of \$100,000 each aircraft and \$300,000 each occurrence;
- (v) For Tenants who provide repair or maintenance services, fuel service, or sales, Products and Completed Operations Liability with a minimum limit of \$1,000,000 CSL each occurrence;
- (vi) All Comprehensive Liability insurance shall insure performance by Tenant of the Hold Harmless Sub-section of this Lease;
- (vii) Landlord shall be named as "additionally insured";
- (viii) All required insurance shall contain a Separation of Insureds or Severability of Interests provision; and
- (ix) The policy shall not be cancelled or non-renewed unless the Landlord has received 30 days prior written notice. (Ten days prior notice in the event of cancellation for nonpayment of premium is acceptable). Written notice shall be sent to: County of San Mateo, Attn: Airport Manager, 620 Airport Drive, San Carlos, CA 94070.

E. Workers' Compensation and Employer's Liability Insurance

During the entire term of this Lease, Tenant shall have in effect Workers' Compensation coverage providing full statutory benefits and employer's liability in the minimum amount of \$1,000,000. In executing this Lease, Tenant makes the following certification:

I am aware of the provisions of Section 3700 of the California Labor Code, which require every employer (1) to be insured against liability for Workers' Compensation or (2) to undertake self-insurance in accordance with the provisions of the Code. I will comply with such provisions.

F. 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.

G. 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 twenty (20) days before 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, either (a) to terminate this Lease immediately thereafter with a notice to Tenant, or (b) 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.

H. 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.

31. HAZARDOUS MATERIALS ACTIVITY

Tenant may not store, handle or generate hazardous materials/waste/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.

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, solvents, gasoline 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 state and federal regulations 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 State and Federal statutes regarding the handling of hazardous materials/waste/underground tanks. In addition, Landlord may exercise any rights applicable under State and Federal law, in regards to requiring Tenant to be responsible for disposal or removal of the hazardous materials/waste/underground tanks in a safe manner.

Subject to Section 21 herein, Landlord shall have the right to inspect the Premises to ensure Tenant's compliance, and charge inspection fees, in accordance with applicable State and Federal statutes.

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 Agreement, 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.

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

Tenant agrees to comply with all San Mateo County Airport ordinances, 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.

33. NON-ABROGATION OF UNITED STATES GOVERNMENT RIGHTS

The provisions of this Agreement 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.

34. HOLDING OVER

If Tenant holds over after the expiration or earlier termination 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.

35. 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 shall not be unreasonably withheld, and a consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a 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 Landlord, constitute a default under this Lease.

If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of at least 51 percent of the value of the assets of Tenant, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 10% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply to corporations the stock of which is traded through an exchange or over the counter.

36. 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.

37. 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.

38. CLOSING OF AIRPORT FOR MAINTENANCE AND CONSTRUCTION

County 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 County 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. In the event that Premises are inaccessible for a period of thirty (30) days or more, County will work in good faith to relocate Tenant as set forth in Section 21 (Early Termination) hereof. If County is unable to relocate Tenant pursuant this Section, Tenant shall have the option to terminate this Lease by giving written notice to County, with no further obligation to County except as may otherwise be specifically provided herein and except for Tenant's responsibility to restore the Premises to its original condition,

39. LAWS, RULES, REGULATIONS AND PERMITS

Tenant shall construct any improvements, use, maintain and occupy the Premises in compliance with all applicable laws, 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, regulations, orders and requirements intended to provide equal accessibility for persons with disabilities (collectively, "Disabilities Laws"), any 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.

40. PERSONAL PROPERTY

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

41. 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 personally or sent by prepaid mail, and if given by mail shall be deemed sufficiently given when sent by registered or certified mail. Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give by mail to the other party shall be addressed to the other party at the address set forth in Section 1 [Basic Lease Information] of this Lease. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this Section.

42. LIENS

Tenant shall keep the Premises, free from any liens arising out of the work performed, materials furnished or obligations incurred by Tenant.

43. PAYMENT OF PERCENTAGE SHARE OF OPERATING EXPENSES

Not used.

44. 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 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. Quiet Possession

Upon Tenant paying the rent and other fees or charges reserved hereunder and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease.

J. 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.

K. 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.

L. 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.

M. 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.

N. 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.

O. 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.

P. Signs and Auctions

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

Q. 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.

R. 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.

S. 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.

T. Singular and Plural

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

U. Choice of Law

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

V. 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.

W. 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.

X. 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.

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

TENANT

KIEWIT PACIFIC CO.

By _____
Jeffrey P. Petersen
Vice President and District Manager
(Underground)

LANDLORD

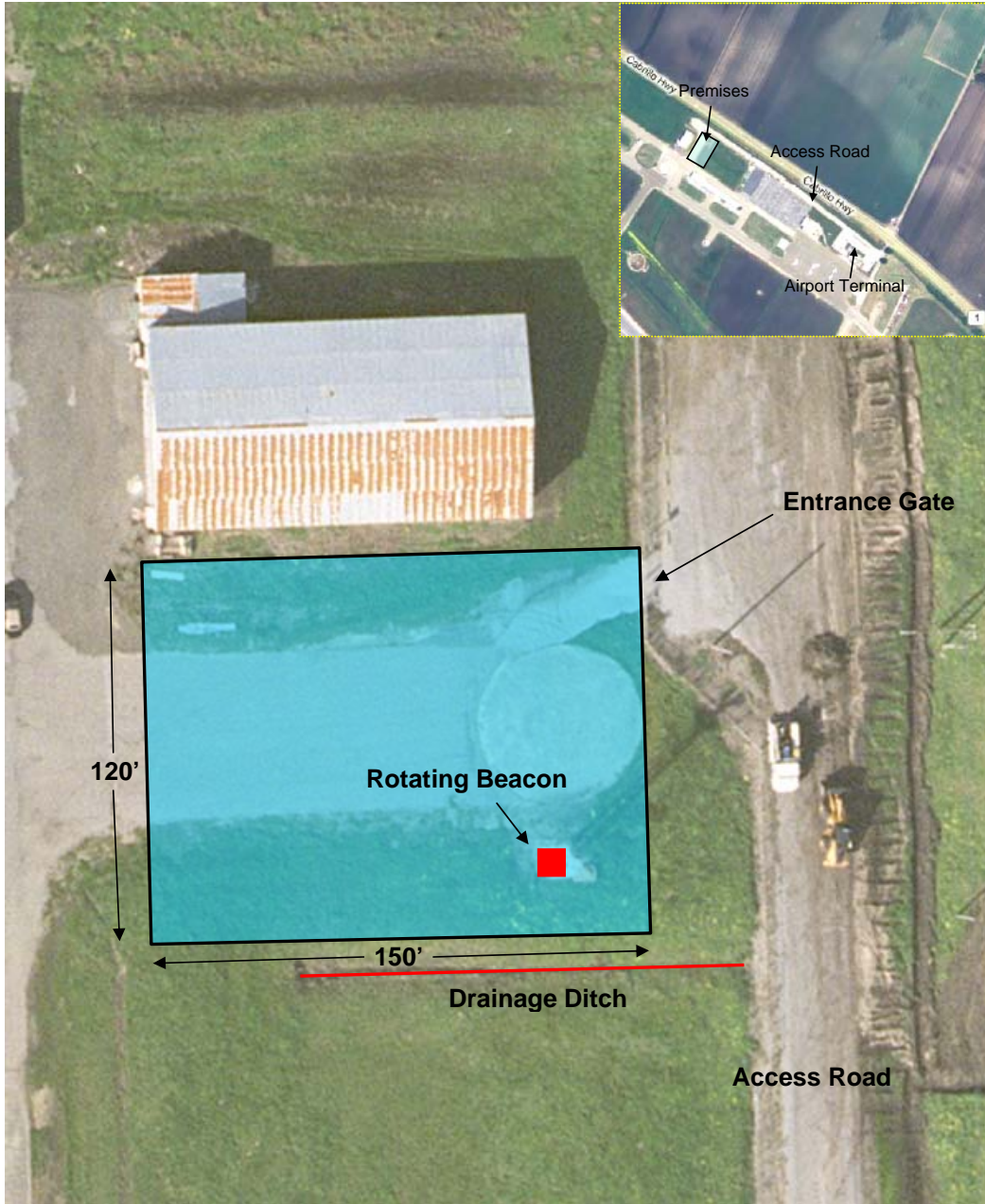
COUNTY OF SAN MATEO

By _____
Adrienne J. Tissier
President, Board of Supervisors

Resolution No. _____

ATTEST: _____
Clerk of said Board

EXHIBIT A
SITE PLAN OF PREMISES



 Lease Area

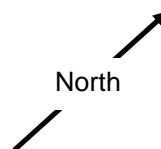


EXHIBIT B

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

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 AGREEMENT WITH KIEWIT PACIFIC CO.

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, permits, approvals 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. PARKING

Tenant shall ensure that its vehicles and those of its agents and customers are parked on the Premises or in areas and locations as approved by the County and are in compliance with Airport Parking Policies.

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.

5. 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 on the Premises or as approved by the County.

6. REPAIRS

Tenant shall protect all property located on the Premises or on the Airport from Tenant's operations and 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, to the extent such damage has been caused by Tenant, its agents or customers.

7. 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.

8. 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.

9. 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.

Tenant shall, at its own cost and expense, install temporary fencing and/or gates as may be required by the County to safely secure the Premises and prevent unauthorized or inadvertent access by its agents and customers on to the Airport taxiways or runway.

10. SIGNAGE

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.

11. 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 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.

12. TRASH AND RECYCLING REMOVAL

Tenant shall dispose of all trash and recyclable materials in Tenant's own 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 roads, hangars or taxiways.

13. OPERATIONS

All operations shall be subject to approval by Landlord. Tenant shall not block or obstruct taxiways, roads or access routes at any time and shall take all reasonable steps to ensure that its operations and activities create minimal impact and inconvenience to the airport, airport users and the surrounding community. At County's sole discretion, Tenant may be required to implement measures such as limiting the hours of operation, reducing excessive noise, implementation of a dust control program, etc., as necessary.

Tenant shall limit lighting on the Premises to lighting that illuminates only the Premises and does not interfere with aircraft, vehicles on adjacent roadways, etc.

Tenant shall not stack storage containers in a manner that exceeds the height of two storage containers.

Tenant shall operate in such a manner so as to the greatest extent possible, minimize fugitive dust particles generated on the Premises by the Tenant's operations.

Tenant shall provide sufficient toilet and sanitary facilities for its agents and customers on the Premises.

14. ACCESS/FRONTAGE ROAD

The County shall perform a detailed pavement assessment and inspection of the access/frontage road leading from the airport entrance on Highway 1 to the Premises prior to the commencement of this Lease. Tenant agrees that the access/frontage road that provides access to the Premises has not been designed to support heavy loads or high traffic conditions and any damage or excessive wear incurred during the term of the lease shall be deemed the fault of the Tenant and shall be repaired at Tenant's sole expense.

Initial _____

EXHIBIT D

NOT USED