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FIRST AMENDMENT TO
NAPA COUNTY AGREEMENT NO. 230232B

This First Amendment to the Ground Lease, License, and Operating Agreement ("Agreement") dated this day _____ of 2024 (the "Effective Date") is made by and between NAPA COUNTY, a political subdivision of the State of California, ("County") and NAPA JET CENTER, INC. dba ATLANTIC AVIATION, a California corporation authorized to do business in the State of California ("Lessee").

RECITALS

WHEREAS, County is the owner and operator of the Napa County Airport ("Airport"); and

WHEREAS, County is empowered to grant the right and privilege to be a Fixed Base Operator at the Airport; and

WHEREAS, County is obligated by its Federal Aviation Administration (FAA) Grant Assurances to, among other things, be as financially self-sustaining as possible, promote competition, and not grant exclusive rights; and

WHEREAS, on December 16, 2022, the Chair of the Napa County Board of Supervisors executed Agreement No. 230232B Ground Lease, Commercial License, and Operating Agreement ("Lease Agreement") with Lessee to lease approximately 575,000 square feet of space and facilities within the Napa County Airport, for use as a non-exclusive, commercial Fixed Based Operator; and

WHEREAS, Lessor and Lessee wish to amend the Lease Agreement to expand the leasehold area and update development commitments; and

WHEREAS, the Premises southern boundary is relocated thirty (30) feet southward to better accommodate the planned development;

NOW THEREFORE, in consideration of the terms, conditions, covenants and provisions contained in this Lease, the Parties agree as follows:

1. Section 1. Definitions is amended as follows:
   1.1. Section 1.36 Pioneering Period shall be revised to read as follows:

1.36 **Pioneering Period.**

In accordance with Section 1.5 of the Minimum Standards, the County is allowing a Pioneering Period where Lessee can operate for a period of time under terms and conditions less than those set forth within the Airport's Minimum Standards. The Pioneering Period for this Agreement shall run from the Effective Date until 36 months after the Effective Date, as may be extended by the terms of this Section 1.36. The County will diligently pursue completion of the County Relocation Project. If the County Relocation Project is not completed by 16 months after the Effective Date, the Pioneering Period and the dates for Lessee's milestones/requirements set forth in Exhibit F shall

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each be extended by one day for each day that the Notice of Completion for the County Relocation Project is recorded beyond 16 months after the Effective Date. The Parties agree that Lessee shall have access to the Premises for purposes of commencing the Work on or before the recordation of the Notice of Completion. If delays of the completion of County Relocation Project exceed twelve (12) months, the Parties shall administratively amend this Agreement to reflect such extension of completion of the project and day-for-day extension of the Pioneering Period and dates for Lessee's milestones/requirements set forth in Exhibit F. If such an amendment is necessary, the scope of the amendment shall be limited to changing the duration of the Pioneering Period. The Pioneering Period shall also be extended by one day for each day that a force majeure exists that delays Lessee's Progress of Work. Lessee's Work on the hangar and terminal required under the Leasehold Improvements cannot begin until a Notice to Proceed is issued by the Director of Public Works.

2. Section 3. Premises is amended as follows:
   2.1. The first sentence in Section 3.3 Supplemental Primary Premises No. 1 is replaced to read as follows, "Supplemental Primary Premises No. 1 shall consist of 292,032 [APPROXIMATE] square feet identified as "South FBO – SP1" and generally depicted in Exhibit A-2."
   2.2. The first sentence in Section 3.4 Supplemental Primary Premises No. 2 is replaced to read as follows, "Supplemental Primary Premises No. 2 shall consist of 67,448 [APPROXIMATE] square feet identified as "South FBO – SP2" and generally depicted in Exhibit A-2."
   2.3. The first sentence in Section 3.5 Supplemental Primary Premises No. 3 is replaced to read as follows, "Supplemental Primary Premises No. 3 shall consist of 98,632 [APPROXIMATE] square feet identified as "South FBO – SP3" and generally depicted in Exhibit A-2."
   2.4. The following language is added to Section 3.5: Lessee may, at its discretion, add up to 8,000 square-feet to the Supplemental Primary Premises No. 3 for the purposes of developing and maintaining a vegetated drainage swale as required by water quality control regulations. The addition will be by administrative amendment in accordance with Section 3. The rental rate of the additional square footage will be at one-half of the then current rental rate per square-foot for Supplemental Primary Premises No. 3, and will be adjusted over the term pursuant to Section 5.2.

3. Infrastructure Improvements. Section 5. Rent, Fees, and Charges of the Lease Agreement is amended as set forth herein:
   3.1. Section 5.2 Adjustments to Base Rent shall be revised to read as follows:

5.2. Adjustments to Base Rent

The Base Rent shall be subject to the following increases (as adjusted the "Adjusted Rent"): (i) at the option of the County, on the first of the monthly following each fifth (5th) anniversary date of the Effective Date ("Appraisal Adjustment Date(s)") to reflect increases in the appraised value of the Premises; and (ii) on the first of the month following each one-year anniversary ("Percentage Increase Adjustment Date(s)") of the Effective Date (excluding each fifth anniversary date on which Appraisal Adjustments

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may be made pursuant to Section 5.2.2) in accordance with the provisions set out below ("Percentage Increase Adjustment Date(s)"):

3.2. Section 5. Rent, Fees, and Charges is amended by adding:

Section 5.5.3. Fuel Farm Infrastructure Improvements
Lessee agrees that an infrastructure project developed for the mutual benefit of County and Lessee contains the major scope elements of a main electrical service (with manual back-up generator) and a central oil-water separator. Lessee agrees to reimburse County for 25% of the cost for development of this improvement, not to exceed Lessee's allocated cost of $250,000 unless approved by Lessee in writing. Lessor will provide an itemized final costs breakdown for Fuel Farm Infrastructure Improvements once completed. Upon completion, County will invoice Lessee for Lessee's allocated cost in 12 installments, invoiced monthly. Lessee shall make payment under the payment terms in Section 5.7.2.

3.3. Section 5.6.1 Monthly Activity Report is amended by adding:

County will publish a Fuel Activity Quarterly Report identifying the commercial fuel activity in all products and respective market share. Non-commercial fuel permittees' activity will be aggregated.

3.4. Section 26 Agreements with the United States is amended by adding:

Lessee is required to comply with the federal contract terms and conditions as identified in Exhibit I which is attached hereto and incorporated herein by reference.

4. Exhibits
4.1. Exhibit A-2 is replaced with the Exhibit A-2 attached hereto.

4.2. Exhibits B-1, B-2, and C-1 are replaced with the Exhibit B-1 attached hereto. All references in the Lease Agreement to Exhibits B-2 and C-1 shall be amended to refer to Exhibit B-1.

4.3. Exhibit F is replaced with the Exhibit F attached hereto

5. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. This Amendment may be executed by facsimile or electronic (.pdf) signature and a facsimile or electronic (.pdf) signature shall constitute an original for all purposes.

6. Except as provided in Paragraphs 1 through 4 above, the terms and conditions of the Lease Agreement shall remain in full force and effect as originally approved and as previously amended.

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IN WITNESS WHEREOF, this Amendment No. 1 of Napa County Agreement No. 230232B was executed by the parties hereto as of the date first above written.

Napa Jet Center, Inc. DBA Atlantic Aviation, a California corporation

DocuSigned by:
By Jeff Foland
8A35A9B91AC7418...
JEFF FOLAND, President, and CEO

DocuSigned by:
By Bill White
D0F51F1805794AC...
BILL WHITE, CFO

"LESSEE"

NAPA COUNTY, a political subdivision of the State of California

By _____
JOELLE GALLAGHER, Chairperson
Board of Supervisors

"COUNTY"

APPROVED AS TO FORM Office of County Counsel	APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS	ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors
By: */s/ Wendy Dau* Deputy County Counsel Date: July 8, 2024	Date: _____ Processed By: _____ Deputy Clerk of the Board	By: _____

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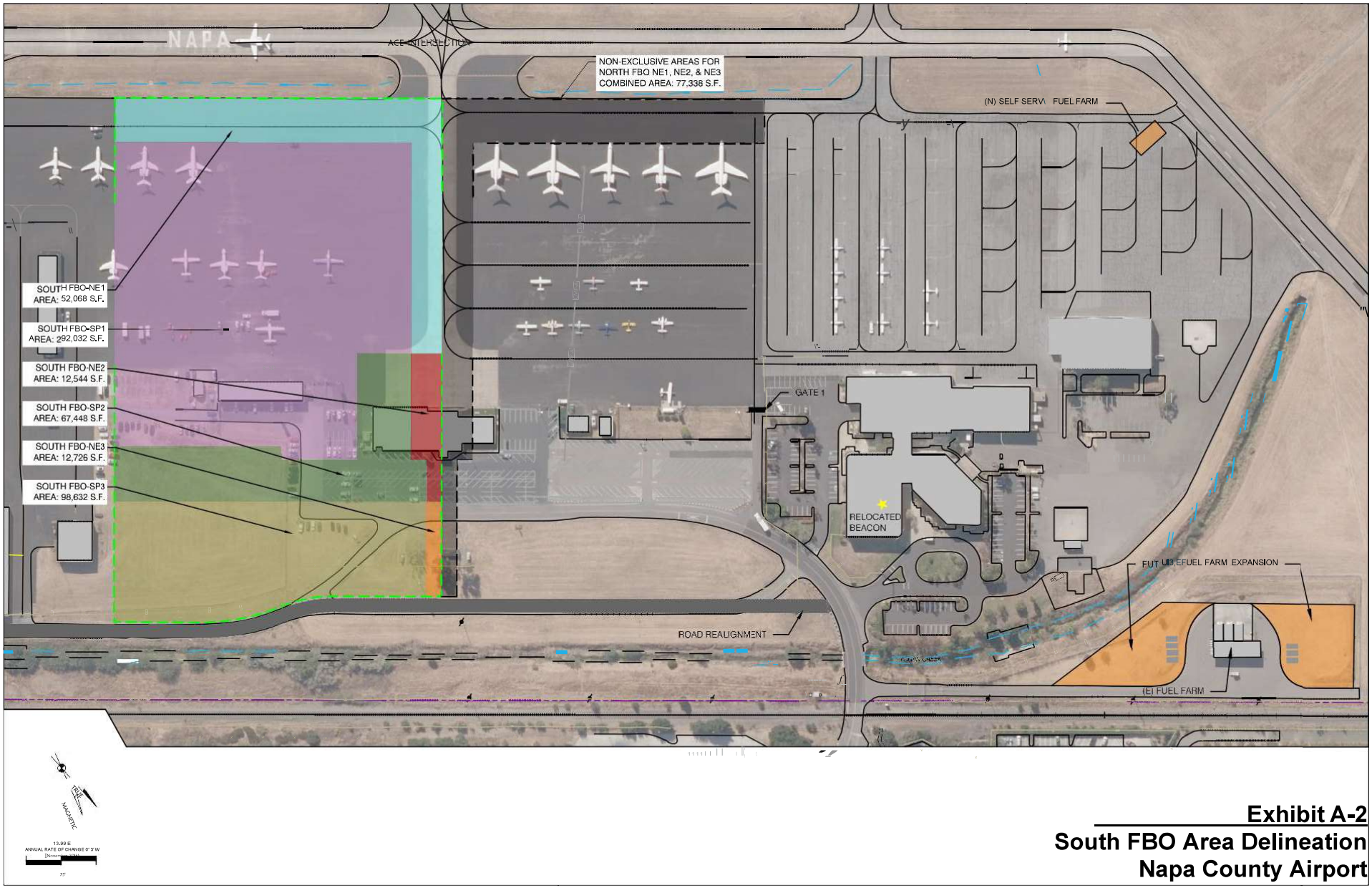

Exhibit A-2
South FBO Area Delineation
Napa County Airport

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Exhibit B-1 Primary Premise Rent (Atlantic Aviation)

PREMISES	SQ. FT.	RATE	MONTHLY BILLING	MONTHLY TOTAL
Pioneering Period • Initial Premises* • Pioneering Period Premise • Non-Exclusive Space No.1 • Supplemental Premises No. 1* • Supplemental Premises No. 4	20,000 5,000 52,068 292,032 59,049	$1.00/SF/YR	$1,666.67 + CPI Adj. $416.67 $4,339 $24,336 + CPI Adj. $4,920.75	$35,679.09 + CPI (Initial and Sup1)
Upon completion of County Construction Project PW23-29R • Initial Premises* • Non-Exclusive Space No.1 • Non-Exclusive Space No.2 • Supplemental Premises No. 1* • Supplemental Premises No. 2* • Supplemental Premises No. 4	20,000 52,068 12,544 292,032 67,448 59,049	$1.00/SF/YR	$1,666.67 + CPI Adj. $4,339 $1,045.33 $24,336 + CPI Adj. $5,620.67 + CPI Adj. $4,920.75	$41,928.42 + CPI (Initial, Sup1-2)
End of Pioneering Period – FBO Construction Complete • Initial Premises* • Non-Exclusive Space No.1 • Non-Exclusive Space No.2 • Non-Exclusive Space No.3 • Supplemental Premises No. 1* • Supplemental Premises No. 2* • Supplemental Premises No. 3* • Supplemental Premises No. 4	20,000 52,068 12,544 12,726 292,032 67,448 98,632 59,049	$1.00/SF/YR	$1,666.67 + CPI Adj. $4,339 $1,045.33 $1,060.50 $24,336 + CPI Adj. $5,620.67 + CPI Adj. $8,219.33 + CPI Adj. $4,920.75	$51,208.25 + CPI (Initial, Sup1-3) Eff. 7/1/29 onward, + CPI for Sup#4

*Annual CPI Adj. Effective Anniversary Date

Every 5th Year, base rent should be adjusted based on appraisal (Sec 5.2):

1st Anniversary Date 12/13/23 – Annual CPI Adjustment
2nd Anniversary Date 1/1/25 – Annual CPI Adjustment
3rd Anniversary Date 1/1/26 - Annual CPI Adjustment
4th Anniversary Date 1/1/27 - Annual CPI Adjustment
5th Anniversary Date 1/1/28 – Appraisal (no CPI Adjustment)

Supplementary Primary Premise #4:

*January 1, 2023 – June 30, 2029: 59,049 SF @ $1.00/SF/YR
*Effective July 1, 2029: 30,000 SF at $13.20/Year (+Annual CPI for period between 1/1/23 to 6/30/29), 29,049 SF ramp at no charge

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EXHIBIT F
LEASEHOLD IMPROVEMENTS

To continue engaging in FBO services after the Pioneering Period Term, Lessee shall have constructed the necessary fuel storage facilities required by the Minimum Standards in that area shown on Exhibit A-1 and shall have completed construction of all Leasehold Improvements required under the Minimum Standards for FBOs, including but not limited to those leasehold improvements listed below, and as envisioned and generally depicted in the site plan attached as Exhibit F-2.

By 36 months past the Effective Date of this Agreement (based on the schedule below, which is subject to extensions equivalent to those extensions of the Pioneering Period set forth in with Section 1.36 of the Agreement should the County Relocation Project be delayed beyond 16 months past the Effective Date of this Agreement and any delays caused by force majeure), Lessee shall construct approximately 100,000 square feet of new apron, a new FBO Terminal building, maintenance and community hangars that meet the requirements set forth in the Minimum Standards, adequate new vehicle parking area, and any other infrastructure and facilities required to conduct a full-service FBO. Infrastructure improvements also include utility connections, and safety and security provisions that conforms to federal, state and local construction standards. Lessee shall also complete landside site work, including stormwater quality elements and landscaping.

At a minimum, Lessee agrees to develop the following leasehold improvements:

- An approximately 9,000 square foot Executive Terminal Building
- A minimum 30,000 square foot Aircraft Storage Hangar with 28’ door height
- Reconstruction or significant upgrade of existing Fuel Storage Facilities to include a minimum 20,000 gallons of Jet-A inventory and a 10,000-gallon Avgas tank
- Approximately 30,000 square feet of new Aircraft Parking Apron
- Structural improvements for existing ramp area
- An adequate number of Customer Vehicle Parking Spaces

In addition to this new infrastructure, Lessee shall maintain the existing apron throughout the Term and reconstruct the existing apron by the timeframe defined in the table below. Any Work associated with the apron areas and hangars shall be designed and constructed to accommodate the fleet mix presented in EXHIBIT F-1; provided that Lessee has discretion to design and construct selected areas of the apron to support aircraft that weigh more than 100,000 lbs. and Lessee’s hangars are not required to accommodate the 737-700 BBJ.

Lessee shall complete the following tasks and Leasehold Improvements set forth in the column Milestone/Requirement in Table 1 below by the corresponding timeframe. As stated within the body of the Agreement, Lessee’s failure to complete any milestone/requirement by the corresponding timeframe set forth below (subject to any extensions equivalent to those extensions of the Pioneering Period and any delays caused by Force Majeure) shall constitute a default.

To develop the Premises, including the expansion of and reconstruction of the existing apron, Lessee shall make all necessary storm drain improvements meeting state and local standards to accommodate the proposed expanded apron area. Preliminary design for grading and drainage improvements have not yet been developed. Lessee acknowledges receipt of A Conceptual Grading Design Report that presents a schematic layout with approximate slopes and finish grades. Lessee agrees to coordinate all civil engineering design elements within the development area (including but not limited to the apron, building pads, water quality and storm drainage elements, shared parking,

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underground piping, sewer, and utilities) with any development occurring on the adjacent property at the Airport. To facilitate coordination between the two developments, Lessee agrees to utilize a mutually agreeable civil engineering firm with the adjacent FBO.

Table 1 – Completion Schedule Deadlines		
Milestone/Requirement	County/Respondent	Date
Submit Terminal Area Development Plan for County Design Review	Lessee	June 30, 2023
Submit full Plans, Specifications, and Estimates for Building Permit Review (Terminal Area Development)	Lessee	April 30, 2024
Receive Building/Grading Permits (Terminal Area Development)	Lessee	July 30, 2024
Relocate Electrical Vault & Beacon Equipment, Demolish Terminal Building and Relocate Sewer	County	August 31, 2024
Fuel Farm Infrastructure	County	August 31, 2024
Fuel Farm Expansion Complete	Lessee	December 31, 2024
Complete New Apron Improvements	Lessee	December 31, 2025
Receive Certificate of Occupancy (Terminal Area Development)	Lessee	February 28, 2026
End of Pioneering Period - Full compliance with all FBO Minimum Standards	Lessee	February 28, 2026
Complete Road Realignment	County	December 13, 2026
Large Hangar (30% of total capital commitment in first (5) years; 30% in second (5) years; 40% in third (5) years)	Lessee	December 13, 2027 (30%) December 13, 2032 (30%) December 13, 2037 (40%)
Complete Existing Apron Improvements	Lessee	December 13, 2029

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EXHIBIT F-1

FLEET MIX

Aircraft	Weight (lbs)	Annual Departures Large Runways and Taxiways A, C, H, & K
737-700 BBJ	174,700	5
Global Express / G-650	99,600	77
Gulfstream V	90,900	97
Gulfstream III / IV	75,000	241
Falcon F7X	69,198	24
CRJ-200	53,250	6
Challenger 604 / Embraer 140	48,200	193
Falcon 900 / Jetstar 731	45,500	75
G-280 / Hawker 4000 / Challenger 300 / Falcon 50	39,600	435
Citation X / G-200 / Falcon 2000	36,000	604
Citation Sovereign	30,250	227
Falcon 20 / Hawker 800	28,660	296
G-150 / Hawker 1000	25,850	57
IAI 1125 / 1124 / Learjet 60 / Citation VII	24,650	178
Learjet 40 / 45 / 55 / 70 / 75	21,750	238
Citation Excel	20,200	358
Falcon 10 / Learjet 35 / 36	18,740	60
Phenom 300 / Citation CJ4	17,968	304
Learjet 31	16,750	21
Citation V / BeechJet 400	16,500	329
Super King Air 300 / 350	15,100	181
Citation II	15,000	101
Citation CJ3	13,870	224
Super King Air 200	12,590	128
Citation CJ2 / Premier 1	12,500	167
Piper Cheyenne	11,200	31
Citation CJ1 / Phenom 100	10,700	354
Pilatus PC-12	10,500	443
Cessna 441 / King Air 90 / Citation Mustang	9,925	199
Cessna 421 / Socata TBM	7,450	121
Cessna 414 / Piper Aerostar	6,750	52
Cessna 340 / Eclipse 500 / Beech Baron	5,990	146
Aircraft Under 5,000 lbs (Bonanza / Cessna 172)	5,000	20047

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EXHIBIT F-2

SITE PLAN

Site Plan to be generally depicted in this Exhibit and then replaced with 30% design when Agreement is administratively amended to add legal description of Premises and Non-Exclusive License Areas.

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