

LEASE AMENDMENT NO. 1

to the

FRESNO CHANDLER EXECUTIVE AIRPORT
AIRPORT LEASE AGREEMENT

Between

CITY OF FRESNO, CALIFORNIA

And

FRANK X. RUIZ AVIONICS INC
A CALIFORNIA CORPORATION

THIS LEASE AMENDMENT NO. 1 ("Amendment No. 1") is made and entered the ___ day of _____, 2014 by and between the CITY OF FRESNO, a municipal corporation hereinafter referred to as "Lessor" and FRANK X. RUIZ AVIONIC INC., A California Corporation, located at 970 West Chandler Avenue, Fresno, California 93706, hereinafter referred to as "**LESSEE**".

RECITALS

WHEREAS, Lessor owns and operates the Fresno Chandler Executive Airport, hereinafter referred to as "Airport", located in the City of Fresno, County of Fresno, State of California; and

WHEREAS, the Lessee is occupying and using property (the "Premises") at the Airport under the Lease dated August 1, 2011 (the "Lease"), which expired June 30, 2014 and has been in month to month holdover since; and

WHEREAS, Lessee desires to continue to lease the Premises for approximately five (5) additional years, until July 31, 2019; and

WHEREAS, Lessor has determined it is in the City's best interest to enter into this Amendment No. 1 with LESSEE; and

WHEREAS, this Amendment No. 1 has been assessed pursuant to the provisions of the California Environmental Quality Act ("CEQA") and determined to be categorically exempt pursuant to Guideline [15301 "Existing Facilities"] with only negligible or no expansion of use, and no potentially significant physical impact on the environment;

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises herein contained, it is hereby agreed:

1. Article IV, "Term", of the Agreement is replaced and re-written to read as follows:

4.01 Term: The term of this Lease shall be for a period of eight (**8**) years, commencing August 1, 2011, hereinafter sometimes referred to as the "Commencement Date", and ending July 31, 2019 (the "Expiration Date").

4.02 Holding Over:

A. In the event Lessee shall remain in possession of the leased premises or any part thereof following the end of the life of this Lease, and thus hold over the term hereof with or without the express written consent of Lessor, such holding-over occupancy shall be a tenancy from month to month only, terminable by either party hereto upon service of a minimum of thirty (30) days advance written notice upon the other party.

B. Rental During Holding Over Period: During the holding-over MONTH-TO-MONTH TENANCY period, Lessee shall pay to Lessor all rent required by this Agreement at the rates in effect as of the date immediately preceding the date on which such month-to-month tenancy commences

C. Applicability of Lease Provisions: EXCEPT as otherwise specifically set forth within this Article, any holding over shall be subject to all of the terms,

covenants, conditions, and provisions of this Lease applicable to a month-to-month tenancy.

2. Article V, Section 5.01, "RENTAL", of the Agreement is replaced and re-written to read as follows:

A. Rent for the Premises shall be paid monthly in advance at the rate of two thousand eight hundred and sixty nine dollars (\$2,869.00) per month.

B. Rental Adjustment: Annually, commencing July 1, 2015, then on March 1 each and every year thereafter, throughout the term of this Lease including any available option or holding over periods, the amount of the monthly Base Rent and Utilities Rent to be paid to Lessor by Lessee shall be subject to increase. The increased amount will become the new Base Rent and Utilities Rent each year respectively and will be calculated as follows:

i. The Base Rent will increase by the same percentage as the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics (USDLBLS) Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (all items, U.S. city average) from January 1 to December 31 utilizing the full calendar year(s) and using the last year the rental was changed as the base. Should the index decrease in any given year, there shall be no adjustment to the rent. The amount of all such annual adjustments shall be determined in the manner illustrated within Exhibit "D" "Illustration Of Annual Rental Adjustment Computation", attached hereto and made a part hereof. LESSOR shall complete the "Annual Rental Adjustment Computation" worksheet and provide a copy of such worksheet to LESSEE, prior to the commencement of each Lease Year during THE LIFE OF THIS LEASE.

3. Exhibit "D" shall be added to the Lease "Illustration of Annual Rental Adjustment Computation" which is marked as Exhibit "D" and dated 5/14/2012, a copy of which is attached hereto and incorporated herein by reference, (see Section 2. – B.i. above).

4. Except as expressly provided in this Amendment No. 1, all other terms and provisions of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 as of the day and year first above written.

CITY OF FRESNO,
a municipal corporation

FRANK X. RUIZ
Frank X Ruiz Avionics
A California Corporation

By: _____
Kevin Meikle
Director of Aviation

By: Frank X Ruiz

Title: PRES

Address for Notice:
City of Fresno
Airports Department
4995 E. Clinton Way
Fresno, CA 93727

Date: 11-4-2019

Address for Notice:

ATTEST:
Yvonne Spence, CMC
City Clerk

FRANK X. RUIZ
Frank X Ruiz Avionics
970 West Chandler Avenue
Fresno, CA 93706

By: _____
Deputy Date

APPROVED AS TO FORM:
Douglas T. Sloan
City Attorney

By: _____
Date

Illustration of Annual Rental Adjustment Computation

NOTICE OF ANNUAL RENTAL ADJUSTMENT
 (Based on USDLBLS Consumer Price Index
 for Urban Wage Earners and Clerical
 Workers - ALL ITEMS, U.S. CITY AVERAGE)

**FRESNO CHANDLER EXECUTIVE AIRPORT
 LEASE AGREEMENT**

August 15, 2014 2:51 PM

RE: Pie In the Sky Aviation
 Accounts Payable
 1234 Airport Drive
 Fresno CA 93706

=====

ANNUAL RENTAL ADJUSTMENT COMPUTATION
 FOR LEASE YEAR COMMENCING:
July 1, 2015

=====

The rental adjustment calculation shown to the right was completed in keeping with the intent of the lease for the Property located at Fresno Chandler Executive Airport

| | | |
|---------------------------------------|------------|-------------------|
| USDLBLS CPI - JAN-DEC., | 2013 | 226.229 * |
| USDLBLS CPI - JAN-DEC., | 2014 | 229.324 * |
| AMOUNT OF CPI CHANGE | | 3.095 |
| PERCENTAGE CPI CHANGE | | 1.3681% |
| CURRENT MONTHLY RENTAL RATE | | \$2,869.00 |
| AMOUNT OF ADJUSTMENT (OFFICE) | | \$39.25 |
| NEW MONTHLY OFFICE RENTAL RATE | | \$2,908.25 |

between
THE CITY OF FRESNO - AIRPORTS DEPARTMENT
 AND
Pie in the Sky Aviation

| | |
|---------------------------|-------------------|
| NEW MONTHLY RENTAL | \$2,908.25 |
| EFFECTIVE: | July 1, 2015 |

=====

EFFECTIVE: July 1, 2015

EXAMPLE

Prepared by:

CITY OF FRESNO
 DEPARTMENT OF AIRPORTS
 PROPERTIES SECTION
 4995 EAST CLINTON WAY
 FRESNO, CA 93727-1504

MONTHLY RENTAL WILL BE: \$2,869.00

TELEPHONE: (559) 621-4500
 FACSIMILE: (559) 251-4825

If you have any questions concerning this matter, please contact the undersigned at (559) 621-4511.

NOTES:

* PER USDL/BLS

Rick Duncan
 Airports Properties Supervisor
 City of Fresno, Department of Airports

EXHIBIT D