

FIRST AMENDMENT TO AIRPORT LEASE AGREEMENT

THIS FIRST AMENDMENT TO AIRPORT LEASE AGREEMENT ("First Amendment") is made and entered into as of the _____ day of _____, 2022 (the "Effective Date"), by and between **FEDERAL EXPRESS CORPORATION, a Delaware corporation** ("Lessee") and **CITY OF VISALIA, a municipal corporation** ("Lessor").

RECITALS

A. Pursuant to that certain Airport Lease Agreement ("Lease") entered into by and between Lessor and Lessee, Lessee leases certain real property and improvements thereon ("Demised Premises"), which Demised Premises is located at 9510 West Airport Drive, Visalia, California, and is more particularly described in the Lease.

B. The current term of the Lease expires March 31, 2022.

C. Lessor and Lessee now desire to extend the term of the Lease and otherwise amend the Lease as set forth below.

AGREEMENTS

In consideration of the mutual promises contained in this First Amendment and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that, as of the Effective Date, the Lease is amended as follows:

1. Definitions. Except as otherwise provided in this First Amendment, all defined terms used in this First Amendment will have the same meaning as the meaning established for them in the Lease.

2. Term. Section 3 of the Lease is hereby deleted in its entirety and replaced with the following:

"(A) The term of this LEASE shall be for period of ten (10) years commencing on the 1st day of April, 2017 and ending on the 31st day of March, 2027, unless sooner extended or terminated as provided for herein. LESSEE shall have one (1) renewal option for a period of five (5) additional years, which may be exercised by LESSEE by providing written notice as provided herein to LESSOR prior to January 1, 2027. If the renewal period option is timely exercised by LESSEE, the rent payable in the renewal period shall be the rent payable at the end of the initial term, adjusted for the first year of the renewal period and each year thereafter as per the terms of Section 4.B. below.

(B) Early Termination Right. Lessee may, upon six (6) months' advance written notice to Lessor, elect to terminate this Lease at any time after March 31, 2025, by providing written notice of that election to Lessor ("Early Termination Right")."

3. Minimum Rent. Section 4.A. of the Lease is hereby amended to add the following sentence at the end of that paragraph:

“Beginning April 1, 2022, Lessee’s net minimum annual rental shall be One Hundred Thirty-Six Thousand Five Hundred Fifty-Four and 12/100 Dollars (\$136,554.12), payable in equal monthly installments of Eleven Thousand Three Hundred Seventy-Nine and 51/100 Dollars (\$11,379.51) continuing thereafter through March 31, 2027 (unless this Lease is further extended or sooner terminated as provided for in the Lease, as amended herein), subject to the rent adjustments specified in subsection (B) below.”

4. Additional Rent. The following is hereby added to Section 4 of the Lease as subsection (F):

“F. Beginning April 1, 2022, and continuing through March 31, 2025, Lessee shall pay to Lessor the monthly sum of Two Thousand Seven Hundred Forty and 43/100 Dollars (\$2,740.43) as compensation to Lessor for Leasehold Improvements and Commissions, as those terms are defined in the First Amendment to Airport Lease Agreement.”

5. Leasehold Improvements.

(a) At Lessor’s sole cost and expense, Lessor shall perform certain leasehold improvement work to the Demised Premises as such work is described in the attached Exhibit A (“Lessor’s Work”). Lessor shall perform Lessor’s Work in a good and workmanlike manner and in accordance with all Legal Requirements, as defined below, the specifications approved by Lessee, and in accordance with the requirements set forth in Exhibit A. Lessor shall cause Lessor’s Work to be completed within three hundred and sixty-five (365) days after the Effective Date. Lessor’s Work shall be deemed completed when Lessor’s Work is fully performed. Once Lessor has commenced work on any item of Lessor’s Work described in Exhibit A, Lessor shall use commercially reasonable efforts to complete that item of work so as to minimize interference with Lessee’s ability to conduct business operations in the Premises.

(b) Lessee hereby appoints Glenn Kirkland as Lessee’s representative to act on Lessee’s behalf in any matters relating to Lessor’s Work [contact: (510) 639-3714 or e-mail at gkirkland@fedex.com]. In order to prosecute Lessor’s Work, Lessee must coordinate entry in advance with Lessee’s representative and on-site manager in order to minimize the interference that will occur by reason of such entries with respect to the business activities Lessee conducts in the building on the Demised Premises. Lessor may enter the Demised Premises during normal business hours to perform Lessor’s Work with advance notice of at least twenty-four (24) hours to Lessee’s on-site manager. If Lessor enters the Demised Premises on the authority of the foregoing, Lessor must not materially interfere with Lessee’s business operations.

(c) Lessor shall complete Lessor’s Work in accordance with the terms of this First Amendment (including specifically the specifications as set forth in Exhibit A) and all applicable local, state or federal laws, statutes, regulations, codes or ordinances, building codes, governmental rules,

regulations and orders, and recorded covenants, conditions and restrictions affecting title to the Demised Premises (“Legal Requirements”).

(d) If Lessor fails to complete Lessor’s Work by three hundred sixty-five (365) days after the Effective Date and that failure continues for more than thirty (30) days after the date on which Lessee delivers written notice of the delinquency to Lessor, Lessee’s employees, agents and contractors may undertake the completion of Lessor’s Work in accordance with all applicable Legal Requirements and the specifications applicable to Lessor’s Work. Lessor shall pay to Lessee within thirty (30) days after the date of Lessor’s receipt of Lessee’s invoice, together with reasonable evidence of costs and Lessee’s payment thereof, the full amount of the reasonable cost and expense that Lessee incurs in completing Lessor’s Work on the authority of this Section 5(d). If Lessor fails to pay those amounts within that thirty (30) day period, Lessee may offset the amount owed against Minimum Rent, Additional Rent and any other sums that become due to Lessor.

6. Broker Commissions. Landlord and Tenant represent each to the other that the only broker used in connection with this First Amendment was Clifford R. Fischer and Company, Inc. d/b/a Fischer & Company (“Fischer”), which is entitled to a commission which shall be paid in full by Landlord pursuant to a separate commission agreement. Landlord shall indemnify and defend Tenant from and against any claims, demands or actions brought by Fischer. Each party shall defend and indemnify the other from and against any claims, demands and actions brought by any broker or other finder to recover a brokerage commission or any other damages on the basis of alleged dealings with the indemnifying party contrary to the foregoing representation.

7. Ratification. Other than as specifically provided in this First Amendment, all terms and provisions of the Lease are ratified and confirmed and will remain in full force and effect without modification.

8. Counterparts. This First Amendment may be signed in multiple or counterpart copies, with signatures sent by facsimile or electronic transmission, each of which will be considered an original and which together form but one amendment to the Lease.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have signed this First Amendment to Airport Lease Agreement as of, but not necessarily on, the date first above written.

TENANT

FEDERAL EXPRESS CORPORATION,
a Delaware corporation

By: R. Scott Peterson
Name: R. Scott Peterson
Title: MD Properties
Date: 04/08/2022

LANDLORD

CITY OF VISALIA,
a municipal corporation

By: _____
Name: _____
Title: _____
Date: _____

Approved by Legal: cjm 04/05/2022

[FedEx Doc. No. 1602899]

EXHIBIT "A"

to that certain

First Amendment to Airport Lease Agreement

between

City of Visalia
("Lessor")

and

Federal Express Corporation
("Lessee")

dated _____, 2022

Landlord's Work

Lessor shall provide all labor and materials to complete the following scope of work, including, but not limited to, the temporary movement, disassembly, or relocation of furniture while work is underway, and in accordance with the terms and conditions set forth in Section 5 of this First Amendment. All work must be coordinated with and approved by Lessee's representative (as designated in said Section 5) and Lessee's on-site manager so as not to impede Lessee's operations at the Premises.

The following items shall be completed within one hundred eighty (180) days after full execution of this First Amendment:

- Replace damaged Acrovyn® and touch up paint on the other walls in the Customer Service Area;
- New interior paint throughout the office portions of the facility;
- Replace carpet and wall base throughout the office portion of the facility;
- Reseal all windows and replace blinds in the office portion of the facility;
- Replace vinyl flooring in all four (4) restrooms;
- Replace countertops and cabinets in the breakroom;
- Install ten (10) exhaust fans in the warehouse's sort area;
- Replace the two (2) evaporative coolers which are rusted out and need replacement;
- Replace or seal metal exterior and trim where necessary due to rusting and holes;
- Paint the exterior of the building once the necessary repairs are complete;
- Seal and restripe all paved areas should be sealed following repair to and restriped after repair to alligator cracking, potholes forming, and crack filling.

[CONTINUED]

SPECIFICATIONS (applicable to all painting and flooring work):

1. Painting

Painting and finishing shall include all interior exposed items and surfaces throughout the demised premises. Pre-finished items are excluded from this scope such as roof deck, beams, and joists. All walls are to be prepared to receive finishes by the patching, spackling, and smoothing of any irregular surfaces and holes. Removing the wallpaper from the office walls is required (Acrovyn preparation as required). Prepare the walls for painting and adhere to guidelines below:

A. Interior office walls shall receive:

1. One primer coat Prime after removal of Vinyl Wall Covering (No painting over vinyl wall covering). Color: wht/Problock Alkyd Odorless B49w20
2. Office Walls: Sherwin Williams Super Paint Interior Satin "Fossil Gray" (formula 2 below)

B. Lobby/Customer Service Area is to be finished in accordance with FedEx standards as follows:

1. Ship Center/Customer Lobby (requires approval for specific site):
Sherwin Williams Argos B9W951 Harmony w/Eggshell Base Argos (7065)
Cover Plates: Paint with regular paint as referenced above in Paragraph A.

NOTE: Zolatone no longer used.

C. Door Frames (interior metal):

1. Hollow Metal Frames color: Fed Ex Grey/DTM Alkyd B55w113 (formula 1 below.)

D. Doors (interior wood doors and windows):

1. Wood Doors and Windows color: clear/Wood Classics Clear Varnish A66f390

E. Restrooms:

1. Urinal Screens and Partitions color: white/Pro Class Alkyd Semigloss B33w221.

F. All interior steel columns shall be painted "safety yellow" to a height of 10 ft. Exterior bollards and ladders color: Safety Yellow/Industrial Enamel B54y37 (unless local codes require other color).

G. Warehouse: Warehouse Block Walls color: white/Waterbased Catalyzed Epoxy Gloss Sheen B70w200. (Painting only required if requested).

H. Exterior Painting:

1. Prep and repaint with matching color all exposed exterior metal items, including but not limited to doors, downspouts, handrails, lintels, window frames, stairs, ladders, fascia and parapet caps (excepting any pre-finished items in good condition) to a uniform and clean appearance.

Exterior: Dryvit Walls/Synthetic Stucco color: match/Exterior Super Paint Satin A89w51

Exterior: Metal and Wood color: match/Exterior Super Paint Satin A89w51

I. Doors (exterior metal)

1. Metal Frames color: Match existing color or Fed Ex Grey/DTM Alkyd B55w113(formula 1 below/unless local codes require other color)

Formulas:

1. "FedEx Grey Formula"- DTM Alkyd B55w113

B1	4 oz	5/32	1/128
N1	60/32	1/128	
R2	2/32	1/128	
Y3	21/32	1/64	
R3	5/32		
L1	2/32		

2. Sherwin Williams Super Paint Satin "Fossil Gray"

CCE*COLORANT OZ	32	64	128
B1 BLACK	-	14	-
R2 MAROON	-	2	-
Y3-DEEP GOLD	-	14	-

ONE GALLON "EXTRA WHITE"

2. Floor Finishes

Floor finishes for office areas and ship centers is described below. New vinyl cove wall base shall be installed where specified.

A. Carpet Flooring:

1. Offices: One of the following:
 - a. Interface SuperFlor, #603059 Anthracite. Contact: Christi Hitch 901-219-5746
Christi.Hitch@interface.com
 - b. Mohawk Lees – First Step 508 Charcoal Grey. Contact: Tony Simmons
901-246-9851 Tony_Simmons@mohawkind.com
 - c. Shaw Path 549. Contact: Helen Balch Drinkard 901-240-9085
Helen.Drinkard@shawinc.com.

B. Resilient Wall Base: Rubber or heavy gage vinyl, top set cove design, height of 6 inches.

Color: – Johnsonite 6" vinyl cove (Charcoal) or 6" Roppe 123 Charcoal

C. VCT Flooring: Armstrong Excelon

D. Restrooms: Armstrong Excelon 51911 Classic White or Excelon 52513 Cirque White

E. Courier Check-In, Breakrooms, Hold Rooms and other locations – submit sample of tile specified for color selection

Note: For additional information and/or questions, contact Lessee's Representative, Glenn Kirkland, at (510) 639-3714 or e-mail at gkirkland@fedex.com.