

TO: Thomas Frutchey, City Manager

FROM: Meg Williamson, Assistant City Manager

SUBJECT: Airport Lease Assignment – 3077 Rollie Gates Dr., from RRBR, LLC and JETAGe, LCC to Trelleborg Holding, Inc.

DATE: June 21, 2016

NEEDS: For the City Council to approve the assignment and assumption of a long term lease approved for RRBR, LLC and JETAGe, LLC (the subtenant being Specialty Silicone Fabricators) to Trelleborg Holding, Inc., at the Paso Robles Airport.

FACTS:

1. The airport lease parcel at 3077 Rollie Gates Drive is currently under long-term lease to RRBR, LLC and JETAGe, LCC. The property is subleased to and occupied by Specialty Silicone Fabricators who manufactures precision medical devices.
2. Specialty Silicone Fabricators (SSF) is a major employer and significant contributor to the City's economic base as it provides manufacturing and high skilled jobs to the local area.
3. The current long-term lease is set to expire May 19, 2038, but provides the tenant the ability for multiple 10-year extensions (lease options) up to 99 years from the commencement of the lease term.
4. In 2011, the tenants made a significant investment in the construction of an approximate 106,000 square foot state-of-the-art manufacturing and office facility at this location.
5. Lease terms require the tenant to continuously and uninterruptedly conduct business activity such as that currently performed by SSF at this location. This restriction on use is a requirement for the continuation of the lease and the exercise of any future options to extend the lease.
6. RBRE/JETAGe has submitted a request to the City for its consent to an assignment of the Lease to Trelleborg Holding, Inc., a Delaware corporation, which is a wholly-owned subsidiary of Trelleborg Corp. (See attached letter dated June 13, 2016, Attachment 1.)
7. Trelleborg's future plans for the Paso Robles SSF facility are described in the attached letter, dated June 14, 2016 (Attachment 2). Also, the 2015 Trelleborg Annual Report can be accessed here: <http://mb.cision.com/Main/584/9937146/490487.pdf>.

8. For purposes of the new lease, the local contact will remain William Reising, Jr., who will stay in his current position at Specialty Silicone Fabricators.

ANALYSIS &

CONCLUSION: Trelleborg AB, the parent company to Trelleborg Corp. is headquartered in Sweden and is a publicly-traded global engineering and technology company with a market capitalization of approximately \$4.5 billion. One of its key business strategies is expansion into the life science sector of manufacturing, thus the acquisition of Specialty Silicone Fabricators Inc. Trelleborg representatives have indicated their desire to retain and expand the current SSF operations in Paso Robles, to pursue a heightened presence in international markets and expand production to meet that created demand.

Trelleborg has past experience in operating facilities similar to SSF and will bring new global partnership and investment to both the Airport and the community of Paso Robles.

The long-term viability of the Airport Industrial Park is essential to support the Airport as a regional air facility, and the continued long-term use for the property as a successful manufacturing business owned and operated by a financially strong and experienced global corporate entity is consistent with the Airport Master Plan and related Airport planning guidelines.

POLICY

REFERENCE: Government Code Section 37380; City Economic Strategy; Airport Leasing Policy; Nonsubordinated Airport Ground Lease dated as of May 19, 2009.

FISCAL

IMPACT: No change in lease terms or income will result from this lease assignment.

- OPTIONS:
- a. For the City Council to approve the attached resolution authorizing the City Manager to effectuate the assignment of the 3077 Rollie Gates Lease to Trelleborg Holding Inc.
 - b. Amend, modify or reject the above option.

Attachments:

1. Letter dated June 13, 2016 from RBRE, LLC & JETAGe, LLC
2. Letter dated June 14, 2016 from Trelleborg
3. Resolution consenting to assignment of Airport Lease
4. Assignment and Assumption of Nonsubordinated Airport Ground Lease

RBRE, LLC and JETAGe, LLC
Attn: William E. Reising, Jr.
27345 Ortega Hwy, Suite 200
San Juan Capistrano, CA 92675
Facsimile: (949) 496-0278
Email: wreising@mac.com

June 13, 2016

City of Paso Robles
Municipal Airport
1000 Spring Street
Paso Robles, CA 93446
Attn: Meg Williamson, Assistant City Manager
Email: MWilliamson@prcity.com

Re: Request for Consent to Assignment of Nonsubordinated Airport Ground Lease;
3077 Rollie Gates Drive, Paso Robles, California (the “**Property**”)

Dear Ms. Williamson:

Reference is hereby made to that certain Nonsubordinated Airport Ground Lease by and between City of El Paso de Robles, a municipal corporation (the “**City**”), as “Landlord”, and Rollie Gates Investment Properties, LLC (“**RIP**”), as “Tenant”, dated as of May 19, 2009, as evidenced by a Memorandum of Lease Agreement by and between Lessor and RIP, dated May 19, 2009, and recorded May 19, 2009, as Instrument No. 2009026192 in the Office of the Clerk of San Luis Obispo County, California (“**County Records**”) (as amended and modified from time to time, the “**Ground Lease**”); as amended by that certain Consent to Encumbrance of Lease and Amendment to Lease by and between Ground Lessor and RIP, dated November 23, 2009, and recorded December 9, 2009, as Instrument No. 2009067683 in the County Records, and that certain Memorandum of Extension of Term of Municipal Airport Property Lease Between City of El Paso de Robles, Rollie Gates Investment Properties, LLC, dated May 4, 2016, and recorded May 9, 2016, as Instrument No. 2016020760 in the County Records (collectively, the “**Ground Lease**”), and that certain Assignment and Assumption of Municipal Airport Property Lease Between City of El Paso de Robles, Rollie Gates Investment Properties, LLC and RBRE, LLC and JETAGe, LLC, dated May 4, 2016, pursuant to which the rights, interests and obligations of RIP under the Ground Lease were assigned to RBRE, LLC and JETAGe, LLC (collectively, the “**Ground Lessee**”). Pursuant to the Ground Lease, the City has leased to Ground Lessee, and Ground Lessee has leased from the City, the Property pursuant to the terms set forth therein.

Please allow this correspondence to serve as the formal request of the Ground Lessee pursuant to Section 11 of the Ground Lease for consent of the City to assignment of the Ground

Lease to Trelleborg Holding, Inc., a Delaware corporation (the “**Assignee**”). In furtherance of this request, enclosed please find the following materials:

(1) Proposed form of Assignment and Assumption of Nonsubordinated Airport Ground Lease and Ground Lessor’s Consent and Estoppel (the “**Assignment and Consent**”); and

(2) The 2015 Annual Report for Trelleborg AB (“**Trelleborg**”), which is the parent company of Trelleborg Corp., a Delaware corporation (“**Trelleborg Corp.**”). The Assignee is a wholly owned subsidiary of Trelleborg Corp.

This request is being made in connection with the pending sale of the business of Specialty Silicone Fabricators, Inc. (“**SSF**”) to Trelleborg Corp.. As you aware, SSF subleases the Property from the Ground Lessee (the “**Sublease**”) and maintains on the Property a building and other improvements comprising 106,104 square feet of space. The Property is presently used by SSF for light manufacturing related to the fabrication, packaging and assembly of medical devices and related silicone components in connection with SSF’s business. As part of the pending acquisition of SSF by Trelleborg Corp., the Assignee intends to act as the ground lessee under the Ground Lease and the sublandlord under the Sublease. SSF will continue as subtenant under the Sublease, and Trelleborg Corp. will continue SSF’s business operations at the Property and intends to use the Property in the same manner as SSF is currently utilizing the Property from and after the date of the assignment, which is currently contemplated for June 22, 2016, or as soon thereafter as the executed Assignment and Consent is made available by the City.


As evidenced by the enclosed financial statements, Trelleborg, headquartered in Trelleborg, Sweden, is a publicly-traded global engineering and technology company with a market capitalization of approximately \$4.5 billion. Trelleborg employs over 16,000 people worldwide, including 2,413 in the United States as of December 31, 2015. Trelleborg’s total revenue in 2015 was approximately \$3 billion. Approximately 20% of Trelleborg’s sales are in North America. Certainly, as a subsidiary of Trelleborg, the Assignee has the financial strength and viability to perform the obligations of the ground lessee under the Ground Lease. Trelleborg also has significant experience operating facilities similar to the Property in the U.S. and abroad. Most importantly, through this process, the City has an opportunity to add a new global corporate partner to the Paso Robles’ economy.

The Ground Lessee and the Assignee request that the above-described request of the City for its consent to assignment of the Ground Lease to the Assignee be placed on the Paso Robles City Council (the “**City Council**”) agenda for its June 21, 2016 meeting. To the extent that the City Council approves the above-described assignment of the Ground Lease, the Ground Lessee and the Assignee request that the Assignment and Consent be executed on behalf of the City and an original executed counterpart of such Assignment and Consent be delivered to the attention of the undersigned following the June 21, 2016 meeting.

Should you or any members of the City Council have any questions regarding the proposed assignment described above, have specific comments to the Assignment and Consent or seek additional information regarding this request, please do not hesitate to contact the undersigned.

Sincerely,

JETAGe, LLC


WILLIAM A MARBLIN
MANAGER

RBRE, LLC


William Kesting Jr Manager

enclosures

cc: Best, Best & Krieger
500 Capitol Mall
Suite 1700
Sacramento, CA 95814
Attn: Iris Yang, Esq. - City Attorney
Email: Iris.Yang@bbklaw.com

Drinker Biddle & Reath
191 N. Wacker Dr., Ste. 3700
Chicago, IL 60606-1698
Attn: David N. Kay, Esq.
Email: David.Kay@dbr.com

Jones Day
3161 Michelson Drive, Suite 800
Irvine, California 92612-4408
Attn: Jonn Beeson
Email: jbeeson@jonesday.com

NAI-1501220486v2



June 14, 2016

Paso Robles City Council

Trelleborg's future plans for the Paso Robles facility of Specialty Silicone Fabricators (SSF)

Trelleborg AB, headquartered in Trelleborg, Sweden, is a publicly-traded global engineering and technology company with a market capitalization of approximately \$4.5 billion. Trelleborg employs over 16,000 people worldwide, including 2,413 in the United States as of December 31, 2015. Trelleborg's total revenue in 2015 was approximately \$3 billion. Approximately 20% of Trelleborg's sales are in North America.

After the acquisition, SSF will be managed by Trelleborg Sealing Solutions (TSS), the biggest business unit of Trelleborg AB. In 2015, TSS had sales of approximately \$1 billion, employing 5,400 employees worldwide, of these more than 1,000 in the United States.

TSS is one of the leading global sealing solutions providers with 24 manufacturing sites, 54 marketing companies and 4 logistics centres worldwide, supplying customers in the industrial, aerospace and automotive markets. It differentiates itself by focusing on advanced, challenging applications and by providing support and value to the customer from initial design – a similar positioning and approach to SSF.

TSS has defined the life sciences segment SSF is active in as one of its key growth segments and has been building up manufacturing, engineering, sales and supply chain resources in this segment in recent years. Acquiring SSF is part of the strategy of TSS to become the leading global player in the life sciences segment.

A key focus of TSS in this life sciences segment is the development of capabilities for complex silicone products. In 2011, Trelleborg acquired Silcotech, a manufacturer of custom-molded high precision and complex liquid silicone injection products, primarily for the life sciences industry, with manufacturing facilities in Switzerland and Bulgaria.

Since then, Trelleborg made significant investments to expand and develop Silcotech's silicone production capabilities: Investing approximately \$10 million, Trelleborg in 2012 tripled the site's cleanroom and increased the overall production capacity of the facility in Switzerland by 30%. A similar expansion was made in the facility in Bulgaria. In 2012/13, the Silcotech silicon liquid injection molding capabilities were mirrored to a plant in the US, where Trelleborg invested approximately \$7 million in a new US facility in Northborough, MA. A

SSF's strengths and capabilities in silicone extrusion, molding, calendaring, dip molding and dip coating are complementary to TSS's existing silicone capabilities in silicone liquid injection molding and fill key gaps with strong competences in areas where TSS does not possess the technology and competence today, specifically in extrusion and dipping. It also has strong engineering, R&D, rapid prototyping, tool engineering and tool building capabilities.

SSF's customers include the top medical device OEMs and is on the approved vendor list of a large customer base. SSF is a significant player in the important and high growth US medical market, providing TSS with key segment knowledge and a strong platform for future development.



While SSF is strong in the US, it has very little presence in international markets. A key ambition with the acquisition is to leverage TSS' global market presence with its 54 Marketing Companies and Global Supply Chain to expand and broaden the SSF business not only in the US, but also in other key life sciences markets in Europe and Asia.

The modern and well invested SSF plant in Paso Robles, together with its competent and well trained workforce, plays a key role in these growth plans as it is by far the biggest and most important facility of the three manufacturing plants of SSF.

Trelleborg plans to continue SSF's business operations at the property in Paso Robles and intends to use the property in the same manner as SSF is currently utilizing the property. Trelleborg does have plans to grow and use the Paso Robles facility in full.

Yours sincerely,

Claus Barsoe
President Trelleborg Sealing Solutions

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
CONSENTING TO ASSIGNMENT OF AIRPORT LEASE FOR
3077 ROLLIE GATES DRIVE TO TRELLEBORG HOLDING, INC.

WHEREAS, the City entered into a long-term Nonsubordinated Airport Ground Lease, dated as of May 19, 2009, with Rollie Gates Investment Properties, LLC (“RGIP”) for the lease parcel located at 3077 Rollie Gates Drive (the “Property”), which Lease was subsequently amended by that certain Consent to Encumbrance of Lease and Amendment to Lease dated November 23, 2009, and by that certain Memorandum of Extension of Term of Municipal Airport Property Lease dated May 4, 2016; and

WHEREAS, all rights, interests and obligations of RGIP under said Lease were subsequently assigned to and assumed by RBRE, LLC and JETAGe, LLC (collectively, “RBRE/JETAGe”) pursuant to an Assignment and Assumption of Municipal Airport Property Lease, dated May 4, 2016 (as amended and assigned, the “Lease”); and

WHEREAS, RGIP recently invested in a major expansion of the facilities at the Property, and the Property is currently subleased to Specialty Silicone Fabricators, Inc. (“SSF”), an affiliated entity to RGIP and a major employer and significant contributor to the City’s economic base which provides manufacturing and high-skilled jobs to the local area; and

WHEREAS, SSF currently maintains on the Property a building and other improvements comprising 106,104 square feet of space, presently used for light manufacturing related to the fabrication, packaging and assembly of medical devices and related silicone components in connection with SSF’s business; and

WHEREAS, in connection with a pending sale of SSF to Trelleborg Corp., a Delaware Corporation (the “Trelleborg Corp.”), RBRE/JETAGe has submitted a request to the City for its consent to an assignment of the Lease to Trelleborg Holding, Inc., a Delaware corporation (the “Assignee”), which is a wholly-owned subsidiary of Trelleborg Corp.; and

WHEREAS, as part of the pending acquisition of SSF by Trelleborg Corp., the Assignee intends to act as the ground lessee under the Lease and the sublandlord under the Sublease, SSF will continue as subtenant under the Sublease, and Trelleborg Corp. will continue SSF’s business operations at the Property and intends to use the Property in the same manner as SSF is currently utilizing the Property; and

WHEREAS, Trelleborg AB (“Trelleborg”), the parent company of Trelleborg Corp., was founded in 1905, is headquartered in Trelleborg, Sweden, is a publicly-traded global engineering and technology company with a market capitalization of approximately \$4.5 billion, employs over 16,000 people worldwide, including 2,413 in the United States, had total revenue in 2015 of approximately \$3 billion, and approximately 20% of Trelleborg’s sales are in North America; and

WHEREAS, Trelleborg has significant experience operating facilities similar to the Property in the United States and abroad, and is moving forward to expand its existing holdings into the field of medical devices and equipment by acquiring SSF; and

WHEREAS, as a result of the above referenced transaction, the City has an opportunity to add to the City’s economy a new global corporate partner that supports the local communities in which it operates by participating in a variety of social activities and supporting teaching and education activities for young people; and

WHEREAS, the long-term viability of the Airport Industrial Park is essential to support the Airport as a regional air facility, and the continued long-term use for the Property as a successful manufacturing business owned and operated by a financially strong and experienced global corporate entity is consistent with the Airport Master Plan and related Airport planning guidelines.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby consents to the assignment of the Lease to, and assumption by, Trelleborg Holding, Inc., a Delaware corporation, pursuant to an Assignment and Assumption of Nonsubordinated Airport Ground Lease ("Assignment") in substantially the form attached hereto as Exhibit A and incorporated herein by reference, and authorizes the City Manager to execute Ground Lessor's Consent and Estoppel in substantially the form attached to such Assignment, subject to any minor, conforming or clarifying changes as may be approved by the City Attorney, and to take such other actions as may be necessary to carry out the purposes of this Resolution.

APPROVED this _____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven W. Martin, Mayor

Attest:

Kristen L. Buxkemper, Deputy City Clerk

Recording requested by and
after recording, return to

Drinker Biddle & Reath
191 N. Wacker Dr., Ste. 3700
Chicago, IL 60606-1698
Attn: David N. Kay, Esq.

(Space above this line for Recorder's use only)

Cross-Reference:

Instrument No. 2009026192
Instrument No. 2009067683
Instrument No. 2016020760
Instrument No. [Assignment]¹

**ASSIGNMENT AND ASSUMPTION OF NONSUBORDINATED AIRPORT GROUND
LEASE**

**THIS ASSIGNMENT AND ASSUMPTION OF NONSUBORDINATED AIRPORT
GROUND LEASE** (this "Assignment"), is made as of June __, 2016 (the "Effective Date"), by
and between **RBRE, LLC**, a California limited liability company ("RBRE"), and **JETAGe,
LLC**, a California limited liability company ("JETAGe" and together with RBRE, "Assignor"),
and **TRELLEBORG HOLDING, INC.**, a Delaware corporation ("Assignee").

WITNESSETH:

A. Assignor is the current owner of the "Leasehold Interest," which as used herein
means the leasehold interest, together with all of Assignor's rights, interests and obligations as

¹ NTD: Once recorded, the instrument number for the assignment to RBRE and JETAGe from RIP will be
referenced here.

lessee, under that certain lease relating to certain real property located in the State of California, together with any and all improvements situated thereon, which real property is more particularly described on Exhibit A attached hereto and made a part hereof (the “Property”), and which lease, together with any amendments and modifications thereto and subleases thereof, is described on Exhibit B (said lease, as so described is hereinafter referred to as the “Ground Lease”).

B. Assignor and Assignee have entered into that certain Real Estate Purchase Agreement dated as of June 11, 2016 (the “Purchase Agreement”), wherein Assignor has agreed to convey to Assignee all of Assignor’s right, title and interest in and to the Property.

C. Assignor desires to assign to Assignee the Leasehold Interest, and Assignee desires to accept and assume the Leasehold Interest, all in accordance with the terms and conditions set forth below.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained and for other good and valuable consideration, the parties intending to be legally bound, do hereby agree as follows:

1. Defined Terms. Except as otherwise defined herein, capitalized terms have the meanings assigned thereto in the Purchase Agreement.

2. Assignment of Leasehold Interest. Assignor hereby grants, sells, assigns, transfers, conveys and delivers to Assignee the Leasehold Interest.

3. Assumption of Leasehold Interest. Assignee accepts the assignment and assumes all liabilities and agrees to perform all obligations of Assignor under the Ground Lease arising or accruing on or after the Effective Date.

4. Effectiveness of Assignment. Notwithstanding any provision of this Assignment to the contrary, this Assignment shall be effective only upon the occurrence of Closing pursuant to the Purchase Agreement.

5. Indemnity. Except with respect to the covenants and agreements of Assignee set forth in Article 3 of the Purchase Agreement relating to the physical and environmental condition of the Property and subject to Assignee’s indemnification obligations pursuant to Section 6.4 of the Purchase Agreement, Assignor hereby agrees to indemnify, defend and hold harmless Assignee from and against any and all obligations, claims, liabilities, losses, damages, demands, causes of action, lawsuits, judgments, losses, costs and expenses (including attorneys’ fees and expenses) relating to the Ground Lease that first accrued or arose prior to the Effective Date; *provided, however*, that such indemnification obligation will be subject to the limitations set forth in Article 6 of the Purchase Agreement. Subject to Assignor’s indemnification obligations pursuant to Section 6.3 of the Purchase Agreement, Assignee hereby agrees to indemnify, defend and hold harmless Assignor from and against any and all obligations, claims, liabilities, losses, damages, demands, causes of action, lawsuits, judgments, losses, costs and expenses (including attorneys’ fees and expenses) relating to the Ground Lease that first accrue or arise following the Effective Date; *provided, however*, that such indemnification obligation will be subject to the limitations set forth in Article 6 of the Purchase Agreement.

6. Consent to Assignment. Attached hereto as Exhibit C is a copy of that certain Ground Lessor's Consent and Estoppel, dated as of _____, 2016, signed by the City of El Paso de Robles (the "Ground Lessor"), whereby the Ground Lessor has consented to this Assignment of the Leasehold Interest by Assignor to Assignee.

7. Amendment; Modification; Waiver. This Assignment may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing signed on behalf of each party and consented to by Ground Lessor. Any agreement on the part of either party to any waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party and consented to by Ground Lessor.

8. Successors and Assigns. All of the covenants, terms and conditions set forth or incorporated herein shall be binding upon and shall inure to the benefit of Assignee and Assignor and their respective successors and assigns.

9. Counterparts. This Assignment may be executed in three (3) or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the undersigned have duly executed this Assignment on and as of the date first above written.

RBRE:

RBRE, LLC, a California limited liability company

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____ before me, _____, Notary Public,
(here insert name of the officer)

personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

JETAGe:

JETAGe, LLC, a California limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.
--

State of California

County of _____

On _____ before me, _____, Notary Public,
(here insert name of the officer)

personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ASSIGNEE:

TRELLEBORG HOLDING, INC., a
Delaware corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____ before me, _____, Notary Public,
(here insert name of the officer)

personally appeared _____ who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

Property Description

PARCEL 8 OF PARCEL MAP NO. PR 88-207 IN THE CITY OF EL PASO DE ROBLES, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED JUNE 04, 1991 IN BOOK 48, PAGE 23 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND A CERTIFICATE OF CORRECTION RECORDED MARCH 02, 1981 IN BOOK 2308, PAGE 759 OF OFFICIAL RECORDS.

APN: 940-000-826 (025-453-001 FEE)

EXHIBIT B

Description of Lease

That certain Nonsubordinated Airport Ground Lease made by and between City of El Paso de Robles, a municipal corporation (“Ground Lessor”), as “Landlord”, and Rollie Gates Investment Properties, LLC (“RIP”), as “Tenant”, dated as of May 19, 2009, as evidenced by a Memorandum of Lease Agreement by and between Ground Lessor and RIP, dated May 19, 2009, and recorded May 19, 2009, as Instrument No. 2009026192 in the Office of the Clerk of San Luis Obispo County, California (“County Records”); as amended by that certain Consent to Encumbrance of Lease and Amendment to Lease by and between Ground Lessor and RIP, dated November 23, 2009, and recorded December 9, 2009, as Instrument No. 2009067683 in the County Records, and that certain Memorandum of Extension of Term of Municipal Airport Property Lease Between City of El Paso de Robles, Rollie Gates Investment Properties, LLC, dated May 4, 2016, and recorded May 9, 2016, as Instrument No. 2016020760 in the County Records, and that certain Assignment and Assumption of Municipal Airport Property Lease Between City of El Paso de Robles, Rollie Gates Investment Properties, LLC and RBRE, LLC and JETAGe, LLC, dated May 4, 2016 and recorded _____, 2016, as Instrument No. _____ in the County Records, as further subleased pursuant to that certain Standard Industrial/Commercial Single-Tenant Lease dated as of October 13, 2009 by and between RIP, as sublandlord, and Specialty Silicone Fabricators, Inc., a California corporation, as successor-in-interest to Issac Medical, Inc., as subtenant.

EXHIBIT C

Consent to Assignment

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Drinker Biddle & Reath
191 N. Wacker Dr., Ste. 3700
Chicago, IL 60606-1698
Attn: David N. Kay, Esq.

[SPACE ABOVE LINE FOR RECORDER'S USE ONLY]

GROUND LESSOR'S CONSENT AND ESTOPPEL

This Ground Lessor's Consent and Estoppel (this "Consent") is dated as _____, 2016, given by CITY OF EL PASO DE ROBLES, a municipal corporation ("Ground Lessor"), with reference to the following facts and circumstances:

A. Ground Lessor and Rollie Gates Investment Properties, LLC ("RIP") entered into that certain Nonsubordinated Airport Ground Lease as of May 19, 2009, as evidenced by a Memorandum of Lease Agreement by and between Lessor and RIP, dated May 19, 2009, and recorded May 19, 2009, as Instrument No. 2009026192 in the Office of the Clerk of San Luis Obispo County, California ("County Records") (as amended and modified from time to time, the "Ground Lease"); as amended by that certain Consent to Encumbrance of Lease and Amendment to Lease by and between Ground Lessor and RIP, dated November 23, 2009, and recorded December 9, 2009, as Instrument No. 2009067683 in the County Records, and that certain Memorandum of Extension of Term of Municipal Airport Property Lease Between City of El Paso de Robles, Rollie Gates Investment Properties, LLC, dated May 4, 2016, and recorded May 9, 2016, as Instrument No. 2016020760 in the County Records, and that certain Assignment and Assumption of Municipal Airport Property Lease Between City of El Paso de Robles, Rollie Gates Investment Properties, LLC and RBRE, LLC and JETAGe, LLC, dated May 4, 2016 and recorded _____, 2016, as Instrument No. _____ in the County Records, pursuant to which the rights, interests and obligations of RIP under the Ground Lease were assigned to RBRE, LLC and JETAGe, LLC (collectively, the "Ground Lessee"), pursuant to which Ground Lease the Ground Lessor has leased to Ground Lessee, and Ground Lessee has leased from Ground Lessor, certain real property in San Luis Obispo County, California, as more particularly described on Exhibit A attached hereto (the "Property").

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Ground Lessor's Consent to Assignment.** Ground Lessor hereby consents to the Assignment and Assumption of Nonsubordinated Airport Ground Lease dated _____, 2016 (the "Assignment") assigning the interests and obligations of RBRE, LLC and JETAGe,

LLC under the Ground Lease to Trelleborg Holding, Inc. (the “Assignee”). Landlord’s consent to the Assignment shall not be deemed in any way or manner to be a waiver or release of Ground Lessee’s obligations under the Ground Lease.

2. Effectiveness of Consent. Notwithstanding any provision of this Consent to the contrary, the consent of Ground Lessor to the Assignment described in Section 1 above shall be effective only upon the occurrence of Closing pursuant to that certain Real Estate Purchase Agreement by and between RBRE, LLC, JETAGe, LLC and Assignee related to the Property.

3. Ground Lessor’s Estoppel Certificate.

(a) Ground Lessor represents and warrants to Assignee that Recital A above accurately identifies the Ground Lease and all amendments, supplements, side letters and other agreements and memoranda pertaining to the Ground Lease, the leasehold estate and/or the Property, and the Ground Lease is in full force and effect and is unmodified, except as provided for in Recital A above.

(b) To the knowledge of Ground Lessor, Ground Lessor certifies that there exists no default under the Ground Lease or any fact or circumstance which, following the passage of time and/or giving of notice, would result in a default under the Ground Lease.

(c) Ground Lessor certifies that the Tenant Improvements (as defined in the Ground Lease) have been constructed in compliance with the terms and provisions of the Ground Lease.

(d) Ground Lessor certifies that no rent or other sums payable under the Ground Lease have been paid more than thirty (30) days in advance.

4. Authorization. Ground Lessor represents that it has the necessary power and authority to execute this Consent and has obtained all of the consents or approvals of all parties necessary to effectuate the terms of this Consent.

5. Address of Tenant. Following the date upon which Ground Lessor’s consent to the Assignment shall become effective pursuant to Section 2 above, Ground Lessor acknowledges and agrees that the address for notice to Tenant under Section 21.25 of the Ground Lease shall be: c/o Trelleborg AB, Box 153, SE-23122, Trelleborg, Sweden, Attention: Hakan Jonsson, Facsimile: +4641017589, E-mail: hakan.jonsson@trelleborg.com.

[Signature on Following Page]

IN WITNESS WHEREOF, this Consent has been duly executed and delivered by the undersigned as of the date first written above.

GROUND LESSOR:

CITY OF EL PASO DE ROBLES,
a municipal corporation

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.
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State of California

County of _____

On _____ before me, _____, Notary Public,
(here insert name of the officer)

personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

Property Description

PARCEL 8 OF PARCEL MAP NO. PR 88-207 IN THE CITY OF EL PASO DE ROBLES, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED JUNE 04, 1991 IN BOOK 48, PAGE 23 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND A CERTIFICATE OF CORRECTION RECORDED MARCH 02, 1981 IN BOOK 2308, PAGE 759 OF OFFICIAL RECORDS.

APN: 940-000-826 (025-453-001 FEE)