



**SANTA MARIA PUBLIC AIRPORT DISTRICT
BOARD OF DIRECTORS**

**Thursday
October 26, 2017**

**Administration Building
Airport Boardroom
7:00 P.M.**

**REGULAR MEETING
A G E N D A**

This agenda is prepared and posted pursuant to the requirements of the California Government Code Section 54954.2. By listing a topic on this agenda, the Santa Maria Public Airport District has expressed its intent to discuss and act on each item. The Santa Maria Public Airport District welcomes orderly participation at its meetings from all members of the public. This includes assistance under the Americans with Disabilities Act to provide an equally effective opportunity for individuals with a disability to participate in and benefit from District activities. To request assistance with disability accommodation, please call (805) 922-1726. Notification at least 48 hours prior to the meeting would enable the Santa Maria Public Airport District to make reasonable arrangements to ensure accessibility to this meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Engel, Rafferty, Adams, Baskett, Brown

- 1. MINUTES OF THE REGULAR MEETING HELD OCTOBER 12, 2017.**
- 2. COMMITTEE REPORT(S):**
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc)
 - d) CITY & COUNTY LIAISON
 - e) STATE & FEDERAL LIAISON
 - f) VANDENBERG LIAISON
 - g) BUSINESS PARK COMMITTEE (Ad Hoc)
- 3. GENERAL MANAGER'S REPORT**
 - a) Monthly Activity Report
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register
 - b) Budget to Actual

5. **DISTRICT COUNSEL'S REPORT. (Joshua George and Natalie Frye Laacke)**
6. **PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.**
7. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE SECOND AMENDMENT OF AGREEMENT BETWEEN THE DISTRICT AND TARTAGLIA ENGINEERING FOR THE AIPORT GIS.**
8. **DISCUSSION AND DIRECTION TO STAFF REGARDING MOKULELE BAGGAGE AGREEMENTS.**
9. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE HANGAR SPACE LEASE BETWEEN THE DISTRICT AND CENTRAL COAST SHUTTLE FOR 3115-C AIRPARK DRIVE.**
10. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE OFFICE SPACE LEASE BETWEEN THE DISTRICT AND MIKE WHITFORD FOR 3117-A AIRPARK DRIVE.**
11. **DISCUSSION AND DIRECTION TO STAFF REGARDING GOAL SETTING MEETING(S).**
12. **CLOSED SESSION. The Board will hold a Closed Session to discuss the following item(s):**
 - a. **Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: 1424 Fairway Dr. (Gov. Code Section 54956.8)**
13. **DIRECTORS' COMMENTS.**
14. **ADJOURNMENT.**

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MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD OCTOBER 12, 2017

The Board of Directors of the Santa Maria Public Airport District held a Regular Meeting at the regular place at 7:00 p.m. Present were Directors Engel, Rafferty, Adams, Brown and Baskett, General Manager Hastert and District Counsel George. Manager of Finance & Administration Reade was absent.

1. MINUTES OF THE REGULAR MEETING HELD September 28, 2017.

Director Rafferty made a Motion to approve the Regular Meeting Minutes held September 28, 2017. Director Baskett Seconded and it was carried by a 5-0 vote.

2. COMMITTEE REPORT(S):

a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.

b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – No meeting scheduled.

c) MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.

d) CITY & COUNTY LIAISON – No meeting scheduled.

e) STATE & FEDERAL LIAISON – No meeting scheduled.

f) VANDENBERG LIAISON – No meeting scheduled.

g) BUSINESS PARK COMMITTEE (Ad Hoc) – No meeting scheduled.

3. GENERAL MANAGER'S REPORT. General Manager Hastert updated the Board on recent meetings with IAC, Tom Ross and a potential developer, the Turnkey Energy Project panel and Camarillo officials helping with interviews. USDA called regarding regulated garbage removal for Customs. He notified the Board the Jet Center was hosting a BBQ for military aircraft arriving the 13th. Mr. Hastert updated the Board on the Mokulele service to Burbank.

4. MANAGER OF FINANCE & ADMINISTRATION REPORT.

The General Manager presented the Demand Register to the Board for review and approval.

a) Demand Register. The Demand Register, covering warrants 064557 through 064574 in the amount of \$328,249.27 was recommended for approval as presented. Director Baskett made a Motion to accept the Demand Register as presented. Director Rafferty Seconded and it was carried by a 5-0 vote.

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5. DISTRICT COUNSEL'S REPORT. Nothing to report.

6. PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board has established a five-minute time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.

No one requested to speak.

7. Authorization for the President and Secretary to execute the Fourteenth Amendment of Service Agreement between the District and Raymond Heath for consulting services. Director Baskett made a Motion to approve. Director Rafferty Seconded and it was carried by a 4-1 vote. President Engel voted "No".

8. Discussion and direction to staff regarding ongoing capital projects. Discussion was held between staff, Directors and John Smith, of Tartaglia Engineering. The Board gave direction on which projects should be a priority.

9. CLOSED SESSION: President Engel opted to cancel closed session.

10. DIRECTORS' COMMENTS: Director Rafferty would like to add a workshop on an upcoming agenda.

Director Baskett was approached by two companies while attending a conference in Las Vegas who wanted to discuss future flying out of the Santa Maria Airport.

Director Brown discussed his trip on Mokulele's first flight into Burbank Airport.

Director Engel would like to see our website updated.

11. ADJOURNMENT. President Engel asked for a Motion to adjourn to a Regular Meeting to be held on October 26, 2017 at 7:00 p.m. at the regular meeting place. Director Adams made that Motion, Director Rafferty Seconded and the Motion was carried by a 5-0 vote.

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ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 8:13 p.m. on October 12, 2017.

Carl Engel, President

Chuck Adams, Secretary

Monthly Activity Report

September 2017



AGENDA ITEM

3a

10/26/2017

Aviation Building Information

	Inventory	Occupied	Available	Occupancy Rate
T Hangars	140	140	0	100%
Corporate T Hangars	8	8	0	100%
Corporate Hangars	28	28	0	100%
Storage Units	26	26	0	100%
Owner Build	23	23	0	100%
Commercial Aviation Hangar Space (SqFt)	107,782	105,407	275	98%
Commercial Aviation Office Space (SqFt)	28,800	19,449	9,351	68%

Hangar Waiting List

T-Hangars	14
Corporate/Corporate T-Hangar	16

Monthly Activity

	Sep-16	Aug-17	Sep-17	%Change
Operations	3,388	3,997	3,321	-2%
Noise/Nuisance Complaints	2	0	1	
Jet\100LL Fuel (Gallons)	462,506	63,447	71,056	-85%

Enplanments

	Sep-16	Aug-17	Sep-17	%Change
Allegiant	1,930	1,916	1,881	-3%
Mokulele	N/A	191	106	-45%
Central Coast Shuttle	897	1,041	1,122	25%

Airline Load Factor

	# of Flights	Load Factor Actual flights	Load Factor SCHD flights
Allegiant	13	87%	87%
Mokulele	33	36%	31%

Land Lease Information (Acres)

	Inventory	Occupied	Available
Business Park	224	0	224
Agriculture	592.29	592.29	0
Grazing	511	511	0
Non Aviation Land Leases	TBD	48.42	
Aviation Land Leases	TBD	12.22	
Total Airport Acreage	2,550		

Mobile Home Park

	Spaces Rented	Units Sold
Mobile Home Park	78	

2017-2018

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 064575 to 064624 and Electronic Payments on Pacific Premier Bank in the total amount of \$428,640.26.

CHRIS HASTERT
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 064575 to 064624 and Electronic Payments on Pacific Premier Bank in the total amount of \$428,640.26 has been approved as being in conformity with the budget approved by the Santa Maria Public Airport District and funds are available for their payment.

VERONEKA READE
MANAGER OF FINANCE & ADMINISTRATION

DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF OCTOBER 26, 2017.

CHUCK ADAMS
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vender Name	Check Amount	AIP Funding	Description
064575*	10/13/2017	HASTERT, CHRIS	\$332.35		Travel Expenses
064576*	10/13/2017	HEATH, RAY	\$3,575.20		Consulting Service
064577*	10/13/2017	HARTFORD	\$10,662.08		Deferred Income
064578*	10/17/2017	ADAMS, CHUCK	\$200.00		Directors Fees
064579*	10/17/2017	BROWN, STEVE	\$300.00		Directors Fees
064580*	10/17/2017	ENGEL, CARL	\$300.00		Directors Fees
064581*	10/17/2017	RAFFERTY, HUGH	\$200.00		Directors Fees
064582*	10/17/2017	TARTAGLIA	\$78,252.50	\$70,943.72	AIP 34 AIP 35
064583*	10/20/2017	ADVANTAGE	\$252.85		Answering Service
064584*	10/20/2017	AFLAC	\$959.70		Voluntary Ins. - Employee
064585*	10/20/2017	AT&T	\$77.99		Phone Service
064586*	10/20/2017	FRONTIER	\$174.28		Telephone Service
064587*	10/20/2017	MASTERCARD	\$9,149.58		Business Travel & Enter.
064588*	10/20/2017	PACIFIC TELE	\$227.92		Pay Phone Service
064589*	10/20/2017	PG&E	\$668.70		Electricity
064590*	10/20/2017	PLAYNETWORK	\$89.85		Radio Service - Terminal
064591*	10/20/2017	READE, VERONEKA	\$177.12		Sundries - Costco
064592*	10/20/2017	COMCAST	\$391.05		Cable/Internet /Digital Voice
064593	10/23/2017	ABACUS ACCOUNT	\$225.00		Accounting Services
064594	10/23/2017	AMERICAN INDUST	\$8.15		Lighting & Nav Aid Maint.
064595	10/23/2017	BAGBY PLUMBING	\$562.33		Building Maint. - Terminal
064596	10/23/2017	BICKELS	\$1,827.38		Maint. - Heating & Air Condit.
064597	10/23/2017	BRAYTON'S POWER	\$500.00		Street Sweeping
064598	10/23/2017	CC TOOL	\$396.75		Small Tools
064599	10/23/2017	CITY OF SM	\$11,785.22		Security
064600	10/23/2017	CITY OF SM FIRE	\$166,277.50		Quarterly ARFF Services
064601	10/23/2017	CLARK PEST	\$760.00		Pest Control - Terminal & Adm.
064602	10/23/2017	ENGLISH	\$1,772.22		Security Deposit & CR Balance
064603	10/23/2017	FERGUSON	\$405.44		Building Maintenance
064604	10/23/2017	J B DEWAR	\$508.94		Fuel Expense - Gas/Diesel
064605	10/23/2017	J D HUMANN	\$4,155.66		Landscape Maintenance
064606	10/23/2017	LIMOTTA	\$1,534.50		Computer Support Services
064607	10/23/2017	LOCAL COPIES	\$29.99		Printing & Stationary
064608	10/23/2017	MARSHALL, LISA	\$355.00		Refund Final
064609	10/23/2017	MISSION	\$418.16		Uniform Service
064610	10/23/2017	MOKULELE	\$42,164.87		Revenue Subsidy

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vender Name	Check Amount	AIP Funding	Description
064611	10/23/2017	OFFICE DEPOT	\$71.87		Office Supplies
064612	10/23/2017	PATHPOINT	\$1,132.32		Airport Maintenance Service
064613	10/23/2017	RAY Z BACKFLOW	\$159.78		Backflow Testing
064614	10/23/2017	READY REFRESH	\$108.11		Water Delivery
064615	10/23/2017	SAFETY-KLEEN	\$216.20		Solvent
064616	10/23/2017	SERVICE STAR	\$11,645.15		Janitorial Service
064617	10/23/2017	SLA	\$8,030.00		Airport Advertising
064618	10/23/2017	SOUSA TIRE SERV	\$807.49		ARFF Vehicle Maint.
064619	10/23/2017	TRI-COUNTIES PL	\$275.00		Interior Plants Maint.
064620	10/23/2017	USDA	\$397.62		Wild Life Abatement
064621	10/23/2017	VOCATIONAL	\$27.00		Trash - Paper Recycling
064622	10/23/2017	VORTEX	\$698.00		Maint. - MHP Laundry Room
064623	10/23/2017	WAGE WORKS	\$100.00		Cafeteria Plan - Admin. Fee
064624	10/23/2017	BOMAR	\$7,141.14		Security Service
Total Checks Written:			\$370,487.96	\$70,943.72	

*Approved by One Board Member

Electronic Payments

10/17/2017	CalPERS Medical	\$15,321.17	November Medical
10/17/2017	CalPERS Retirement	\$5,850.38	Unfunded Liability 10/2017
10/20/2017	CalPERS Retirement	\$4,316.76	Payroll Dated 7/14/2017
10/20/2017	CalPERS Retirement	\$4,279.81	Payroll Dated 7/28/2017
10/20/2017	CalPERS Retirement	\$4,763.36	Payroll Dated 8/11/2017
10/20/2017	CalPERS Retirement	\$4,742.04	Payroll Dated 8/25/2017
10/20/2017	CalPERS Retirement	\$4,758.98	Payroll Dated 9/8/2017
10/20/2017	CalPERS Retirement	\$4,707.75	Payroll Dated 9/22/2017
10/20/2017	CalPERS Retirement	\$4,700.61	Payroll Dated 10/6/2017
10/20/2017	CalPERS Retirement	\$4,711.44	Payroll Dated 10/20/2017
Total Electronic Funds Transfers:		\$58,152.30	

Total Funds Dispersed/Reimbursed: \$428,640.26 \$70,943.72

Santa Maria Public Airport District
For the Two Months Ending August 31, 2017
Revenues and Expenses

Account Number	Account Description	Actual YTD August	Budget YTD August	Over/(Under) Budget
61100-052	Landing Fees - Ameriflight		1,002	(1,002)
61100-053	Landing Fees - U.S. Forest Service		4,167	(4,167)
61100-054	Landing Fees - Federal Express - WestAir		963	(963)
61100-055	Landing Fees - Allegiant Air	3,767	3,860	(93)
61110-052	Tiedowns - Ameriflight	1,851	204	1,647
61110-054	Tiedowns - Federal Express - WestAir in	1,813	614	1,199
61110-059	FBO Tiedowns	62		62
61130-093	Comm Veh Access - Federal Express	1,774	1,774	-
61130-094	Comm Veh Access - UPS	670	663	7
61140-152	Fuel Flowage Fees - Self Serve	530	554	(23)
61140-154	Fuel Flowage Fees - CC Jet Center, LLC	23,549	11,552	11,997
62210-005	T-Hangar 3005 Airpark	6,900	6,913	(13)
62210-009	T-Hangar 3009 Airpark	4,440	4,446	(6)
62210-011	T-Hangar 3011 Airpark	4,280	4,275	5
62210-019	T-Hangar 3019 Airpark	4,280	4,275	5
62210-023	T-Hangar 3023 Airpark	4,440	4,446	(6)
62210-027	T-Hangar 3027 Airpark	4,380	4,386	(6)
62210-031	T-Hangar 3031 Airpark	4,534	4,386	148
62210-039	T-Hangar 3039 Airpark	5,936	6,374	(438)
62210-103	T-Hangar 3103 Airpark	7,136	7,134	2
62210-107	T-Hangar 3107 Airpark	5,022	5,207	(185)
62210-109	T-Hangar 3109 Airpark	4,020	4,018	2
62210-111	T-Hangar 3111 Airpark	3,908	4,117	(209)
62220-035	Corporate T-Hangar 3035 Airpark	6,350	6,350	(0)
62230-005	T-Hangar Storage 3005 Airpark	940	940	(0)
62230-009	T-Hangar Storage 3009 Airpark	316	313	3
62230-011	T-Hangar Storage 3011 Airpark	332	330	2
62230-019	T-Hangar Storage 3019 Airpark	166	165	1
62230-023	T-Hangar Storage 3023 Airpark	158	157	1
62230-027	T-Hangar Storage 3027 Airpark	308	309	(1)
62230-031	T-Hangar Storage 3031 Airpark	154	309	(155)
62230-035	T-Hangar Storage 3035 Airpark	318	318	0
62230-039	T-Hangar Storage 3039 Airpark	1,364	940	424
62230-107	T-Hangar Storage 3107 Airpark	276	313	(37)
62230-109	T-Hangar Storage 3109 Airpark	136	136	0
62230-111	T-Hangar Storage 3111 Airpark	326	309	17
62240-001	Corporate Hangars 3001 Airpark	7,116	7,117	(1)
62240-029	Corporate Hangars 3029 Airpark	7,848	7,847	1
62240-105	Corporate Hangars 3105 Airpark	9,324	9,322	2
62240-118	Corporate Hangar 3043 Airpark	9,100	9,097	3
63310-100	Owner Build Hangar - Land (Sm)	1,071	1,071	-
63310-101	Owner Build Hangars - Land (Lg)	1,857	1,857	-
64410-177	Main Hangar - Artcraft Paints	7,643	7,643	(0)
64410-178	Main Hangar - Tricor Calif	390	390	(0)
64410-183	Main Hangar - S B Cellular	4,299	4,395	(97)
64410-184	Main Hangar - Ravatt, Albrecht & Associated, Inc.	2,142	2,086	56
64410-185	Main Hangar - Art-Craft Suites 119-128	7,491	7,491	(0)
64420-117	Corporate Hangar FBO 3117 Liberator	4,701	3,048	1,653
64420-119	Corporate Hangar FBO 3119 Liberator	1,308	1,321	(13)
64420-121	Corporate Hangar FBO 3121 Liberator	1,288	1,288	0
64420-125	Corporate Hangar FBO 3125 Liberator (P)	8,418	8,418	0
64420-409	Corporate Hangar FBO 3409 Corsair	5,234	10,468	(5,234)
64420-410	U.S. Forest - Land Use Revenue		6,667	(6,667)
64420-438	Corporate Hangar FBO - CALSTAR	1,924	1,904	20
64420-439	Corporate Hangar FBO CC Jet Center	8,518	8,518	-
64420-440	Corporate Hangar FBO 3950 Mitchell	3,196	3,196	(0)
64420-441	Corporate Hangar FBO 3948 Mitchell	1,018	1,025	(7)

64420-442	Corporate Hangar FBO 3944 Mitchell	2,854	2,854	-
64420-443	Corporate Hangar FBO 3940 Mitchell	6,142	6,141	1
64420-444	Corporate Hangar FBO Arctic Air	7,432	7,432	-
64420-445	CC Jet Center Self Serve		350	(350)
64420-447	Rotocraft Leasing - Parking Lot	2,138	2,139	(1)
64420-448	MOF 3015/3025 Airpark Drive	424	418	6
64420-449	Corporate Hangar FBO CC Jet Center-Los Padres Disp	612	613	(1)
64420-450	CCJC (GA Terminal)	1,916	1,916	-
64459-203	Utility Reimbursement - Main Hangar	5,179	3,761	1,418
65000-100	Vehicle Access Fee - Uber	1,125		1,125
65510-251	Terminal - TSA Lease	15,617	15,617	-
65510-252	Terminal - Restaurant	5,289	6,224	(935)
65510-255	Terminal - Allegiant Air, Inc.	368	368	-
65510-256	Terminal -Central Coast Shuttle	4,012	4,012	0
65510-257	PFC Revenue	18,460	13,365	5,094
65510-262	ARINC	290	289	1
65520-265	Terminal Concessions - Avis	18,299	16,118	2,181
65520-266	Terminal Concessions - Budget	5,480	3,095	2,385
65520-267	Terminal Concessions - Hertz	11,828	11,504	324
65520-268	Terminal Concessions - Enterprise	9,543	8,931	612
65520-274	Terminal Vending Machines	385	526	(141)
65530-217	Other Building - Administrative Board Room	180	187	(7)
65530-307	Other Building - Avis Service Center	1,815	1,816	(1)
65559-249	Utility Reimbursements - Terminal	326	410	(84)
65559-336	TSA - LEO Reimbursement	1,890	4,800	(2,910)
66120-080	Vehicle Training Area/Special Events	500		500
66120-083	Santa Maria Karting	1,300	1,100	200
66610-361	Farm Land - Castellanos	20,955	21,241	(286)
66610-362	Grazing Land - R. Michel	391	358	33
66610-363	Grazing Land - Mc Gray & Jokela	226	226	-
66610-364	Master Lease - Mahoney Brothers - CJJ	4,831	3,844	987
66610-365	Farm Land - Gresser	82,353	84,225	(1,872)
66610-366	Grazing Land - Verlade	537	537	0
66620-201	Airport Business Park	21,450	23,595	(2,145)
66620-320	Pioneer Park	322	322	-
66620-455	Commercial Land - Hotel	38,835	30,725	8,111
66620-500	Verizon Land Lease	4,000		4,000
66630-381	Village Mobile Home Park	71,775	68,358	3,418
67300-950	Commercial Filming - Movie Shoots	2,000		2,000
67910-921	Misc. Income - Late Charges		1,167	(1,167)
67910-931	Misc. Income - Rebates - PG&E		1,000	(1,000)
67910-951	Misc. Income - Airport Access Card	130	1,333	(1,203)
69010-951	Interest Income		3,923	(3,923)
69110-934	AIP 34 - Airport Master Plan	30,831		30,831
69110-935	AIP 35 Rehabilitate Apron	991,805		991,805
69110-936	AIP 36 Reimbursement		1,552,809	(1,552,809)
69310-965	Tax Revenues		234,729	(234,729)
	Total Revenue:	1,584,167	2,342,763	(758,597)

Santa Maria Public Airport District
For the Two Months Ending August 31, 2017
Expense

Account Number	Account Description	Actual YTD August	Budget YTD August	Over/(Under) Budget
71110-100	Electricity - Landing Area	3,726	18,692	(14,966)
71110-455	Electricity - Hotel Ramp	273	1,062	(789)
71120-150	ARFF Services	166,278	665,110	(498,832)
71220-100	Signs		1,600	(1,600)
71310-100	Lighting & Nav Aid Maintenance	2,005	11,125	(9,120)
71323-100	Runway Generator Maintenance	175	3,250	(3,075)
71330-100	Pavement - Runways & Taxiways	450	8,200	(7,750)
71331-100	Pavement - Ramps & Tiedowns		10,850	(10,850)
71345-100	Weed/Wildlife Abatement	1,303	24,800	(23,497)
71350-100	Fencing & Gates		4,300	(4,300)
72110-200	Electricity - Hangars	6,103	25,083	(18,980)
72130-200	Water/Sewer - Hangar	751	5,140	(4,388)
72150-200	Emergency Phones - Hangars	321	3,240	(2,919)
72250-200	Landscape Supplies - Hangars	155		155
72260-200	Landscaping Hangar Area	1,620	6,528	(4,908)
72290-200	Miscellaneous Hangar Supplies		700	(700)
72300-200	Building Maintenance - Hangar Area	940	8,900	(7,960)
72310-200	Lighting Maintenance - Hangars		7,000	(7,000)
72311-200	Janitorial Sv Hangar Area	3,805	14,137	(10,332)
72328-200	Fire Extinguisher Service - Hangar		1,500	(1,500)
72331-200	Pavement - Ramp - Hangars	810	11,250	(10,440)
72350-200	Fencing & Gates	91	3,050	(2,959)
72445-200	Fire Alarm Service - Hangars	595	3,260	(2,665)
72480-200	Waste Oil Removal - Hangars	238	1,500	(1,262)
73700-721	Owner Build - Water/Sewer	149	713	(564)
73700-722	Owner Build - Electricity	52	205	(153)
73700-723	Owner Build - Restroom Janitorial	630	2,570	(1,940)
73700-724	Owner Build - Maintenance		1,000	(1,000)
74110-203	Electricity - Main Hangar	8,737	32,239	(23,502)
74110-204	Utilities - 3940 Mitchell Rd.	82	316	(235)
74120-203	Gas- Main Hangar	99	541	(442)
74130-125	Water/Refuse - Paint Hangar	813	4,774	(3,961)
74130-203	Water/Refuse - Main Hangar	1,287	5,544	(4,257)
74150-125	Emergency Phone Lines - Paint Hangar	699	2,052	(1,353)
74150-203	Emergency Phone Lines - Main Hangar	163	1,500	(1,337)
74260-400	Landscaping - FBO	249	996	(747)
74290-400	Miscellaneous Supplies		1,000	(1,000)
74300-400	Building Maintenance - FBO Hangar Area	2,847	10,350	(7,503)
74311-203	Janitorial Sv Main Hangar & FBOs	630	2,570	(1,940)
74311-218	FBO - Water/Refuse/Sewer	619	2,322	(1,703)
74315-400	Fire Sprinkler Maintenance		2,500	(2,500)
74331-400	Pavement - Ramps & Tiedowns	600	2,000	(1,400)
74340-400	Drainage Maintenance		1,500	(1,500)
74350-400	Fencing & Gates	518	2,800	(2,282)
74445-125	Fire Alarm Service - Paint Hangar	105	420	(315)
74445-203	Fire Alarm Service - Main Hangar	105	420	(315)
75110-249	Electricity - Terminal	29,779	96,253	(66,474)

75120-249 Gas - Terminal	291	6,602	(6,311)
75130-249 Water/Refuse/Sewer - Terminal	3,928	17,845	(13,917)
75150-249 Emergency Phone Lines - Terminal	1,801	7,762	(5,961)
75150-250 Pay Phone Service - Terminal	912	2,735	(1,823)
75150-300 Audio & Video Monthly Charges	659	2,278	(1,619)
75220-250 Signs	524	2,000	(1,476)
75255-250 Janitorial Sv Terminal Area	35,747	97,626	(61,879)
75260-250 Landscaping - Terminal	7,107	28,428	(21,321)
75300-249 Building Maint. - Terminal	8,564	35,700	(27,136)
75300-339 Building Maintenance - Fire Station	284	5,730	(5,446)
75310-240 Lighting Maintenance - Terminal Area Streets		500	(500)
75310-249 Lighting Maintenance - Terminal	377	4,000	(3,623)
75310-339 Lighting Maintenance - Fire Station		100	(100)
75323-249 Emergency Generator Maintenance - Terminal	175	1,500	(1,325)
75323-339 Emergency Generator Maintenance - Fire Station	175	2,000	(1,825)
75333-250 Pavement - Roads - Terminal Area	3,147	10,000	(6,853)
75350-250 Fencing & Gates - Terminal		2,000	(2,000)
75465-249 Automatic Door Maintenance Service - Terminal		3,000	(3,000)
75475-249 Interior Plant Service - Terminal	825	3,300	(2,475)
75700-740 Sig Items - Terminal Accessories		9,360	(9,360)
75700-761 Fire Fighting Equipment		11,750	(11,750)
76110-300 Electric - Street Lights	480	2,578	(2,099)
76110-310 Electric - Retention Dam Pumps	340	7,826	(7,486)
76140-300 Recycled Water		2,250	(2,250)
76220-250 Signs		2,000	(2,000)
76260-300 Landscaping - Revenue Generating Land	2,369	9,476	(7,107)
76290-300 South Well Repairs		500	(500)
76310-300 Street Light Maintenance		500	(500)
76340-300 Drainage Maintenance	151	3,000	(2,849)
76345-300 North Well Repairs		1,500	(1,500)
76350-300 Fencing & Gates		2,500	(2,500)
76360-300 Storm water Retention Facilities	879	3,400	(2,521)
76700-750 MHP - Salaries/ Employee Related Expenses	22,572	90,283	(67,711)
76700-752 MHP - Maintenance	8,552	34,455	(25,904)
76700-753 MHP - MHP Liability Insurance	224	6,750	(6,526)
76700-754 MHP - Utilities	43,163	154,330	(111,167)
76700-755 MHP - Property Management	7,050	28,200	(21,150)
76700-757 MHP - General and Admin. Expense	4,525	16,710	(12,185)
87010-451 General Manager	37,491	155,759	(118,269)
87010-452 Manager of Operations and Maintenance	22,138	88,864	(66,726)
87010-453 Manager of Finance and Administration	22,138	88,864	(66,726)
87010-454 Operations Officer	12,068	49,953	(37,885)
87010-455 Administrative Assistant	12,519	51,785	(39,266)
87010-456 Maintenance Foreman	17,638	70,792	(53,155)
87010-457 Maintenance Workers III	15,831	63,529	(47,698)
87010-458 Maintenance Worker I	12,657	63,871	(51,215)
87010-459 Maintenance Worker II	9,584	34,075	(24,490)
87010-460 Accounting Clerk	20,847	84,626	(63,779)
87010-462 Receptionist	9,901	40,947	(31,046)
87020-473 Longevity Pay	4,734	18,049	(13,316)
87020-474 On Call Pay		8,000	(8,000)
87030-481 Medicare Tax	3,318	11,877	(8,559)
87030-482 Medical Insurance	76,874	245,387	(168,513)

87030-483	Dental Insurance	4,493	12,371	(7,878)
87030-484	Auto Allowance	3,000	12,000	(9,000)
87030-485	Life Insurance	895	3,960	(3,065)
87030-486	Disability Insurance	2,682	6,673	(3,991)
87030-487	PERS Retirement	28,639	182,282	(153,643)
87030-488	Worker's Compensation	17,620	18,761	(1,142)
87030-489	Employee Vision Coverage	660	1,526	(866)
87110-150	Electricity - Shop	637	3,601	(2,964)
87110-217	Electricity - Administration Building	3,996	15,771	(11,775)
87120-150	Gas - Shop	61	260	(199)
87120-217	Gas - Administration Building	65	1,324	(1,259)
87130-150	Water/Refuse - Shop	529	1,413	(883)
87130-217	Water/Sewer - Administrative Building	244	1,589	(1,344)
87130-500	Water - Landscaping	5,509	19,608	(14,099)
87140-500	Trash - Paper Recycling	189	648	(459)
87160-501	Cellular Phone	2,302	13,750	(11,448)
87160-502	Security Phone Lines	259	1,032	(773)
87160-504	Administration Office - Monthly Service	1,457	7,813	(6,355)
87160-505	Administration Office - Toll Calls	461	1,903	(1,442)
87160-507	Administration Office - Fax Line	357	1,650	(1,294)
87160-509	Tower & Fire Station	697	2,187	(1,490)
87160-510	Shop Phone	586	2,317	(1,731)
87160-511	Answering Service	972	3,023	(2,052)
87160-512	Legal Reimbursement	3,757		3,757
87160-514	Cellular Phone - ARFF Vehicle	46		46
87210-500	Security Supplies		3,400	(3,400)
87230-500	Janitorial Supplies	1,625	12,249	(10,624)
87240-500	Small Tools	1,310	5,250	(3,940)
87260-150	Shop Supplies	580	4,550	(3,970)
87270-531	Fuel Expense - Gas/Oil	5,015	11,049	(6,034)
87270-532	Fuel Expense - Diesel Fuel/Oil	202	11,000	(10,798)
87275-500	Solvent	367	1,036	(668)
87280-546	First Aid	469	1,036	(567)
87280-547	Safety Equipment	1,294	3,380	(2,086)
87280-548	Training Supplies		600	(600)
87286-500	Uniform Service	2,768	7,599	(4,831)
87290-500	Sundries	1,911	4,438	(2,527)
87300-150	Building Maintenance - Shop	115	3,650	(3,535)
87300-217	Building Maintenance - Administrative Building	908	7,920	(7,012)
87300-221	Clean HVAC Term & Admin		3,000	(3,000)
87321-150	Equipment Maintenance - Shop	61	750	(689)
87322-500	Radio Maintenance		1,000	(1,000)
87324-521	Copier	2,413	7,931	(5,518)
87324-523	Maintenance - Postage Machine	361	1,448	(1,087)
87328-500	Fire Extinguisher Service		1,400	(1,400)
87360-536	Automotive Maintenance - Mechanical	1,317	8,000	(6,683)
87360-537	Automotive Maintenance - Tires	807	4,000	(3,192)
87370-541	Heavy Equipment Maintenance - Mechanical	4,424	13,500	(9,076)
87370-542	Heavy Equipment Maintenance - Tires	208	2,500	(2,292)
87370-543	ARFF Vehicle Maintenance	3,745	21,000	(17,255)
87380-554	Fuel System - Fire Alarm Service	105	540	(435)
87400-500	Directors Fees	2,800	21,000	(18,200)
87412-500	Payroll Processing Fees	1,272	4,773	(3,501)

87414-500 Annual Audit		27,750	(27,750)
87420-500 Legal Counsel Services	18,954	82,733	(63,779)
87430-500 Engineering Services		25,000	(25,000)
87440-500 Security Service	42,507	340,084	(297,577)
87443-500 Security Sys Maint & Repairs	2,130	16,000	(13,870)
87450-500 Janitorial Service - Admin	2,835	11,567	(8,732)
87470-500 Landscaping Services	1,122	4,488	(3,366)
87472-500 Landscaping Contingencies	409	5,000	(4,591)
87475-500 Internet/Web Page Maintenance	8,023	27,297	(19,274)
87510-562 Bank Charges - Service Charges	2,544		2,544
87520-566 Freight & Common Carrier	287	473	(185)
87520-567 Postage	24	1,800	(1,776)
87520-568 Printing & Stationery	30	1,200	(1,170)
87520-570 Misc. Office Supplies	3,749	15,071	(11,322)
87520-572 Books & Publications	335	500	(165)
87530-581 Computer Supplies	128	16,120	(15,992)
87530-583 Computer Support Services	44,848	60,070	(15,222)
87540-600 Dues and Memberships	160	4,822	(4,662)
87540-601 Dues -AAAE	3,150	4,600	(1,450)
87540-603 Dues - SWAAAE		510	(510)
87540-605 Dues - Chamber of Commerce	350	1,000	(650)
87540-606 Dues - National Notary Association		150	(150)
87540-607 Dues - CA Special Districts Association		6,388	(6,388)
87540-608 Dues - AA AE ARDF CA Airport Storm		4,950	(4,950)
87540-610 Costco Membership	180	165	15
87540-618 Santa Maria Times		150	(150)
87540-628 Pro-rata Share of LAFCO Budget	4,000	3,556	444
87600-596 Advertising - Legal		1,000	(1,000)
87600-599 Advertising - Airport Advertising	23,481	32,300	(8,819)
87610-100 Depreciation - Landing Area		1,513,200	(1,513,200)
87610-200 Depreciation - Hangar Area		152,739	(152,739)
87610-250 Depreciation - Terminal Area		526,335	(526,335)
87610-300 Depreciation - Revenue Generating Land		254,890	(254,890)
87610-400 Depreciation - Main Hangar & FBO		68,219	(68,219)
87610-500 Depreciation - Administration		96,758	(96,758)
87620-692 Emergency Exercises		500	(500)
87630-591 Insurance - Airport Liability		20,000	(20,000)
87630-592 Insurance - Auto, Fire, Property		63,897	(63,897)
87630-595 Insurance - General Liability		28,707	(28,707)
87650-643 Permits		5,024	(5,024)
87650-646 Storm Water Permits		1,283	(1,283)
87660-500 Education	466	9,000	(8,534)
87670-500 Business Travel & Entertainment	11,236	54,850	(43,614)
87679-500 Employee Recognition	407	3,500	(3,093)
87700-791 Sig Items - Training Live Burn		26,500	(26,500)
88680-681 SM Chamber Economic Development	33,000	33,000	-
88680-690 Airline Service Enhancement Grant	134,603		134,603
88680-691 Planning & Marketing		25,000	(25,000)
88680-692 Consulting Services - Marketing Aviation Related	2,289	64,410	(62,121)
88680-693 Consulting Services - Contingencies	13,273	102,554	(89,281)
Total:		1,139,071	6,940,286 (5,801,215)

**SECOND AMENDMENT OF SERVICE AGREEMENT
(PLANNING SERVICES FOR THE AIRPORT GIS) AT THE
SANTA MARIA PUBLIC AIRPORT DISTRICT**

RE: By this Agreement, dated December 2, 2015 between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and TARTAGLIA ENGINEERING a sole proprietorship owned by John A. Smith, (herein called "Engineer"), District retains Engineer to perform certain engineering and design services.

The SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and TARTAGLIA ENGINEERING ("Engineer") agree to amend the Agreement effective October 26, 2017, as follows:

1. **TIME OF PERFORMANCE.** The time to complete the services is extended from December 10, 2017 to December 10, 2018.

All of the terms, covenants, conditions, provisions and agreements of said Agreement, as amended, shall remain in full force and effect.

Dated: October 26, 2017

Approved as to content for
District:

Chris Hastert, General Manager

Approved as to form for District:

District Counsel

DISTRICT:

SANTA MARIA PUBLIC AIRPORT DISTRICT

Carl Engel, President

Chuck Adams, Secretary

ENGINEER:

TARTAGLIA ENGINEERING

John A. Smith, Principal

BUILDING SPACE LEASE

This Building Space Lease ("Lease"), dated **October 26, 2017**, for reference purposes, and executed on **November 1, 2017**, is entered into by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "Landlord" or "District"), a public airport district of the State of California, and **Central Coast Shuttle** (herein called "Tenant").

In consideration of the conditions, covenants and agreements herein contained, the parties agree as follows:

1. **Definitions.** Unless the context otherwise requires, the following terms have the meanings specified as follows:

- a. **"Airport"** means the Santa Maria Public Airport at Santa Maria, California.
- b. **"FAA"** means the Federal Aviation Administration or its successor organization or department.
- c. **"Improvements"** include buildings, structures, fixtures, partitions, counters, and other property affixed to the realty in any manner.
- d. **"Leased Premises" or "Premises"** mean and include the commercial aviation unit located at **3115-C Airpark Drive**, at the Santa Maria Public Airport, in the City of Santa Maria, State of California, as shown outlined in red on the plot plan marked Exhibit "A" attached hereto and made a part hereof, together with those appurtenances specifically granted in this Lease. The Premises include ramp area directly in front of each commercial unit for sole purpose of parking and maintaining busses as long as access to other hangars is not blocked or aircraft or vehicle traffic impeded.
- e. **"Movement Area"** means the runways, taxiways and other areas of the Airport, which are used for taxiing or hover taxiing, air taxiing, takeoff and landing by aircraft.
- f. **"Party" or "Parties"** mean the District and/or Tenant.

2. **Premises.** District leases to Tenant and Tenant leases from District the Premises for the rent and on the terms and conditions hereinafter set forth.

3. **Month-To-Month Term.** The term of this Lease shall be on a month-to-month basis, commencing November 1, 2017, and may be terminated by either party on thirty (30) days' written notice to the other.

4. **Rent.** Tenant shall pay to District as monthly rent, the sum of **\$662.00**, on the first day of each calendar month, without prior notice, demand, deduction or offset, at District's office at 3217 Terminal Drive, or such other address as District may direct Tenant in writing. Rent for partial month occupancy shall be prorated.

5. **Security Deposit.** Upon execution of this Lease, Tenant shall deposit with District \$1,324.00 as a security deposit for the performance by Tenant of the provisions of this lease. If Tenant is in default, District can use the security deposit, or any portion of it, to cure the default or to compensate District for any damage sustained by District resulting from Tenant's default. Tenant shall immediately upon demand pay to District a sum equal to the portion of the security deposit expended or applied by District as provided in this section so as to maintain the security deposit in the sum initially deposited with District. If Tenant is not in default at the expiration or termination of this lease, District shall return the security deposit to Tenant. District's obligations with respect to the security deposit are those of a debtor and not a trustee. District shall deposit and maintain the security deposit in an interest-bearing and federally insured account in the name of District with a bank or savings and loan association in Santa Maria, subject to withdrawal and retention by District of all or any part of the amount on deposit or accrued interest to cure the default of Tenant or to compensate District for all damage sustained by District resulting from Tenant's default. Interest on the security deposit required herein shall accumulate to the benefit of Tenant.

6. **Late Charge.** Tenant acknowledges that late payment by Tenant to District of rent will cause District to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Tenant is not received by District on or before the date it is due (or on the next business day of the District that is not a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day, if the date the rent installment is due falls on a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day), Tenant shall pay to District an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that District will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the rights and remedies available to District.

7. **Permitted Uses of Premises.** Tenant may use the Premises only for the following commercial non-aviation purposes:

- a. Storage of busses.
- b. Maintenance of busses.

All facilities required by Tenant shall be installed by and at Tenant's expense and in compliance with local, state and federal laws, ordinances, regulations and codes applicable thereto. Tenant shall not use the Premises, or any portion thereof, for any other purposes, unless the use is approved in advance in writing by the District. Nothing contained herein shall be deemed to give Tenant exclusive rights at the Airport in connection with any of the permitted uses herein.

8. **Prohibited Uses.** Tenant shall not use or permit use of the Premises or the Airport, or any portion thereof, for any of the following purposes:

- a. Sale of gasoline or other fuels not dispensed by a third-party supplier.

b. Spray painting within the building using flammable liquids or paints without proper, approved suppression and protection equipment and facilities, or in a manner which is prohibited by any applicable law, ordinance or governmental order or regulation or in a manner that does not meet the requirements of District's fire and liability insurance carriers.

c. Store any flammable liquids or substances or explosives within the building, except as may be authorized by District in writing except for automotive fuel in parked busses. Minor amounts of new lubricating engine oil, grease and similar combustible liquids necessary to the permitted uses will generally be permitted when stored in original Underwriters Laboratory listed containers.

d. Use any portion of the Airport contrary to or in violation of the directives, rules or regulations of the District or the FAA or in such a manner which may interfere with the landing or taking off of aircraft from the Airport or otherwise constitute a hazard.

e. Store on the Premises any property or articles or conduct any activities or operations which are not directly related or incidental to the permitted uses in Paragraph 7 of this Lease, or store any property outside the building.

f. Use any paint stripping or automotive finish removal process.

g. Washing of vehicles or equipment where runoff and/or wastewater will directly enter District's storm drain system or City sewer system without permit or approved treatment.

h. Storage of vehicle for which a charge is made.

i. Any use which is not directly related to the Permitted Uses and which does not require location on the Airport within the Airport Operating Area ("AOA").

j. Use any torches, heaters or other devices on the Premises that cause a flame or fire.

k. Use as a temporary or permanent residence is specifically prohibited.

l. Storage of any recreational vehicle, trailer, camper, or other vehicle equipped with or usable as living quarters, on the Airport or on the Premises is prohibited. Temporary parking of such a vehicle may be permitted only with the prior written permission of District's General Manager.

m. Storage of any vehicle, other than mobile equipment incidental to the Permitted Uses, is prohibited.

9. **Landlord Improvements.** District shall not be responsible for any improvements to the Premises.

10. **Utilities.** Tenant shall pay all costs, charges and deposits for all utilities and services furnished to or used by Tenant, including without limitation, gas, water, electricity, telephone service, trash collection and for all connection charges. District shall have no obligation to extend utility services to the Premises. Tenant shall reimburse District on a monthly basis for a proportionate share of costs for water, gas and electricity used by Tenant as estimated by District unless Tenant elects to, at Tenant's expense, separately meter the utilities.

11. **Taxes.** Tenant shall pay before delinquency any and all taxes, (including real property taxes) assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interest of Tenant, and personal property, improvements or fixtures owned, controlled or installed by Tenant and used or located on the Airport or Tenant's business. By entering into this Lease, a possessory interest subject to property taxation may be created, and Tenant may be subject to payment of property taxes levied on such interest. Tenant shall pay all such taxes.

12. **Assumption of Risks.** Tenant represents that Tenant has inspected the Airport and Premises and accepts the condition of the Premises and assumes all risks incidental to the use of the Airport and Premises. District shall not be liable to Tenant for any damages or injury to persons or property of any of Tenant's agents, employees, visitors, guests or invitees from any cause or condition whatsoever.

13. **Indemnity.** Tenant shall defend (with counsel acceptable to District), indemnify and hold harmless District, its directors, officers, employees, agents and representatives and the Premises (collectively herein "District") at all times from and against any and all liability, suits, proceedings, liens, actions, penalties, damages, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character which District may incur, sustain or be subject to (collectively "Liability") arising out of or in any way connected with: the acts or omissions of Tenant or its officers, agents, employees, guests, customers, visitors or invitees; or Tenant's operations on, or use or occupancy of the Premises or the Airport. The forgoing indemnification excludes only Liability caused by the sole active negligence of District or its willful misconduct. Tenant shall also defend (with counsel acceptable to District), indemnify and hold District harmless from and against, all Liability, including third party claims, environmental requirements and environmental damages (as defined in Exhibit "B", Hazardous Material Definitions), costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Premises or the Airport or the improvements thereon or District's property or improvements in the vicinity of the Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal (collectively "Release") of any toxic or hazardous materials (defined in Exhibit "B") which occurs in, on or about the Premises or the Airport as the result of any activities of Tenant or Tenant's agents, employees, invitees, licensees, guests, successors or assigns, or subtenants. Tenant shall notify District immediately of any Release of any toxic or hazardous material on the Premises.

14. **Insurance.** Tenant shall secure and maintain, without cost to District, in full force and effect at all times during the term of this Lease the following types and minimum amounts of insurance:

a. Commercial general liability insurance, including bodily injury and death liability, property damage liability, premises liability, completed operations and products liability coverage, contractual liability, public liability, and owners and contractor's protective coverage with a combined single limit of liability of at least \$1,000,000 for each accident or occurrence

b. For and during the time Tenant has vehicles or mobile equipment which are used in Tenant's business or used in, on or about the Premises or anywhere on District property, automobile and mobile equipment liability insurance covering all vehicles and mobile equipment used by Tenant on the Airport providing bodily injury, personal injury and death liability limits of not less than \$1,000,000 per person per occurrence and property damage of not less than \$500,000 for each accident or occurrence.

District shall be named as an additional insured in each policy required herein without offset to any insurance policies of the District.

Tenant shall provide District with copies of all insurance policies and certificates issued by the insurer, including in each instance an endorsement or certificate providing that such insurance shall not be cancelled or coverage reduced except after thirty (30) days' written notice to District and an endorsement providing the contractual liability coverage for the indemnification required in Paragraph 13 above.

The foregoing limits of liability coverage may be annually reviewed by the District's General Manager and, upon report of his recommendations for an increase or decrease to the Board of Directors of the District, the District may increase or decrease the limits of liability of such liability insurance coverage's in accordance with the General Manger's recommendations or otherwise.

15. **Insurance Premium Increase.** Tenant shall not do or permit to be done any act or thing upon the Premises which will invalidate or be in conflict with the fire insurance or liability policies covering the Premises or which shall or might subject District to any unreasonable risks or exposure to liability or responsibility for injury to any person or persons or to any property by reason of any business activity or operation being carried on by Tenant upon the Premises. Tenant shall pay for any additional premiums of District's fire and liability insurance policies charged by reason of Tenant's use or operations on the Premises.

16. **Alterations.** Tenant shall make no alterations, additions or improvements in the Premises or otherwise at the Airport without District's prior written consent. Except as otherwise provided below, any improvements installed in accordance with this paragraph shall be District's property upon completion. Upon expiration or termination of the Lease, if District elects (upon written notice to Tenant of such election) that all or a designated portion of the alterations, additions, or improvements made by Tenant shall be removed by and at the expense of Tenant, then Tenant shall at Tenant's expense remove (within 30 days after such notice) such alterations, additions or improvements, or such portion thereof designated by District, restore District's property to at least its former condition, normal wear and tear excepted, and repair any damage resulting from such removal. Machinery, equipment and trade fixtures installed by Tenant in the Premises shall not be considered "alterations, additions or improvements" subject to the foregoing provisions and shall be removed from the Airport by Tenant on or before expiration or termination of this Lease, providing any damage to District property resulting from such removal shall be repaired or restored at Tenant's expense. All alterations, additions and improvements made by Tenant shall be done in a

workmanlike manner, with good materials, and in full compliance with all applicable building codes, laws, ordinances, regulations and directions of public agencies having jurisdiction.

17. **Airport Facilities.** All Vehicles owned by Tenant or under the care, custody and control of Tenant, and mobile equipment parked, loaded and unloaded outside the Premises shall be parked, loaded and unloaded only in locations designated by District. Tenant agrees to observe, obey and abide by all directives, rules and regulations for the common and joint use of Airport facilities and for maintenance and conduct of Tenant's business at the Airport, which may hereafter be imposed by District's Board of Directors, FAA, City of Santa Maria, or any other governmental entity or agency having jurisdiction. Tenant shall not store any cargo, supplies or materials outside the Premises without the prior written consent of District. District has no obligation to provide security guards, lighting or fencing or to provide any services or utilities not expressly set forth in this Lease.

18. **FAA Restrictions and Reservations.** The Rider marked "Exhibit C" attached hereto, consisting of four pages of provisions required by the Federal Aviation Administration, is incorporated herein and made a part hereof. Tenant agrees to comply with all of the terms and conditions of said Rider.

19. **Permits/Compliance with Laws Payment of Costs of Compliance.** Tenant shall secure and maintain in force during the term of this Lease all licenses and permits necessary or required by law for the conduct of Tenant's business or operations. Tenant shall at all times comply with, and shall pay all costs and expenses which may be incurred or required to be paid in order to comply with all applicable laws, statutes, ordinances, rules, regulations, and orders of federal, state and local governments, and other public agencies ("laws") which apply to the operation and/or use of the Premises. These laws include, but are not limited to, all laws concerning air and/or water quality, fire and/or occupational safety, and accessibility, as well as those requiring alterations or additions to be made to, or safety appliances and devices to be maintained or installed in, on, or about the Premises under any laws now or hereafter adopted, enacted or made and applicable to the Premises. Tenant shall pay any fees, charges, or assessments arising out of or in any way related to the Premises as a source of adverse environmental impacts or effects. Tenant specifically agrees that it is a condition of the continuation of this Lease that all materials used by Tenant for which a Material Safety Data Sheet is required, or otherwise referenced or listed on Exhibit "B", will be stored, used and disposed of, together with any contaminated by-products of such use, in strict compliance with the applicable Material Safety Data Sheet or the requirements of the governmental agency with authority to regulate such storage, use and disposal, whichever is more stringent. Tenant further agrees to maintain adequate storage and disposal facilities on the Premises. Tenant will maintain on the Premises and available for inspection at any reasonable time adequate records of material stored, used or disposed of, including but not limited to Material Safety Data Sheets and Uniform Hazardous Waste Manifests for material shipped from the Premises.

20. **Repairs and Maintenance/Entry.** Except as otherwise provided herein, Tenant shall, at Tenant's sole cost, keep and maintain the Premises and every part thereof in good and sanitary order, condition and repair. Tenant shall not make any repairs, which are the responsibility of District without District's prior written consent. Tenant waives all rights to make repairs at District's expense. Tenant shall keep the Premises, at Tenant's expense, clean and free from litter and dust at all times. District will, at District's expense, repair and maintain the roof, exterior walls and doors of the Premises. District's obligation to maintain does not include any damage or changes caused

by Tenant or Tenant's employees, contractors or invitees. District and the utility companies shall have the right to enter the Premises for the purposes of inspection, installation, and repair of utility facilities. District and authorized agents of District shall have the right to enter the Premises at all reasonable times for the purpose of inspecting or repairing the same or at any time in case of an emergency.

21. **Acceptance: Surrender.** Tenant accepts the Premises as being in good and sanitary order, condition and repair and agrees on the last day of the term or sooner termination to surrender to District the Premises in the same condition as when received, reasonable use and wear and damage by fire, act of God or by the elements excepted, and subject to the provisions of Paragraph 16, **Alterations.**

22. **Condemnation.** In the event of taking or damage to all or any part of the Premises or any interest therein by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the Premises or any interest therein made in avoidance of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") prior to or during the term (or any extension or renewal), the rights and obligations of District and Tenant with respect to such appropriation shall be as hereinafter provided. In the event of an appropriation of the Premises, this Lease shall terminate as of the date of such appropriation. The rents and all other obligations of Tenant shall be prorated to the date of termination, and. District shall be entitled to the entire award made with respect to the appropriation, and Tenant hereby assigns to District all of Tenant's interest, if any, in such award.

23. **Damage or Destruction.**

a. **Partial Destruction - Insured Loss.** If (i) the Premises or any portion thereof are damaged or destroyed by fire or other cause, (ii) the Premises are not thereby rendered totally untenable, (iii) the loss is covered by insurance, and (iv) the destruction can be repaired within sixty (60) days from the date of destruction, this Lease shall not automatically terminate. District may, at its option, repair or rebuild the same from and to the extent of the insurance proceeds payable for the loss. If there should be a substantial interference with Tenant's business, a just and proportionate part of the rent shall be abated from the fifteenth day following the damage or destruction until the Premises are repaired or rebuilt, unless the damage or destruction is attributable to Tenant, its successors or assigns, its employees, agents, representatives, invitees or customers.

b. **Total Destruction - Uninsured Loss.** If (i) the Premises or any portion thereof are damaged or destroyed by fire or other cause and are thereby rendered wholly untenable or are more than fifty percent (50%) damaged or destroyed, or (ii) the damage or destruction of the Premises is not covered by insurance, then, in either event, District, if District so elects, may repair or rebuild the building within a reasonable time after such destruction or damage, or District may give notice terminating this Lease as of a date not later than thirty (30) days after such damage or destruction. If District elects to repair or rebuild the Premises, District shall, within thirty (30) days after such damage or destruction, give Tenant notice of District's intention to repair or rebuild and shall proceed with reasonable speed to make the repairs or to rebuild. Unless District elects to terminate this Lease, this Lease shall remain in full force and effect, and the parties waive the provision of any law to the contrary. If there should be a substantial interference with Tenant's

business, a just and proportionate part of the rent shall be abated from the fifteenth day following the damage or destruction until the Premises are repaired or rebuilt, unless the damage or destruction is attributable to Tenant, its successors or assigns, its employees, agents, representatives, invitees or customers. In the event of termination under this subparagraph, rent will be prorated to the date of termination and surrender of possession of the Premises to District.

c. **Extent of Rebuilding.** If District should elect or be obligated to repair or rebuild the building because of any damage or destruction, District's obligation shall be limited to the basic building. Tenant shall at Tenant's expense fully repair or replace all fixtures, equipment, and other installations installed by or for Tenant at its expense.

24. **Termination by District.** District, in addition to any right of termination as a matter of law or any other right herein given to District, may at its option cancel and terminate this Lease and agreement, by written notice thereof given to Tenant, upon or after the occurrence of any of the following events:

a. Filing by or against Tenant of a voluntary or involuntary petition in bankruptcy or for reorganization, or taking of Tenant's assets pursuant to a proceeding under the Federal Reorganization Act, or the adjudication of Tenant as a bankrupt, or the appointment of a receiver of Tenant's assets, or divestiture of Tenant's assets or estate herein by operation of law or otherwise or assignment by Tenant of its assets for the benefit of creditors.

b. The breach by Tenant or failure of Tenant to keep, observe or perform any of the covenants, conditions or provisions on the part of Tenant to be observed kept or performed.

c. Dissolution or liquidation of Tenant of all or substantially all of its assets.

d. The transfer, in whole or in part, of Tenant's interest in this Lease or in the Premises, or any rights hereunder, by operation of law, whether by judgment, attachment, execution, process or proceeding of any court or any other means

e. Should interest arise for commercial aviation use, District may terminate lease with 30 days written notice.

25. **Additional Remedies of District.** In addition to any other remedy District may have under this agreement or by operation of law, District shall have the right, in the event of Tenant's nonpayment of rent required under this Lease, or in the event of default of any of the terms or conditions of this Lease, or if Tenant shall abandon or vacate the Premises, to terminate this Lease upon written notice to Tenant and re-enter the Premises and eject all persons and remove all property, other than District's property, from the Premises or any part of the Premises. Any property removed from the Premises upon re-entry by District under this paragraph may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, and District shall have no liability therefore. No waiver by District of a default by Tenant of any of the terms, covenants, conditions or provisions hereof to be kept, observed or performed shall be construed to be a waiver by District of any subsequent default. If Tenant breaches this Lease and abandons the property before the end of the term, or if its right to possession is terminated by District because of Tenant's breach of this Lease, this Lease terminates. On such termination, District may recover from Tenant:

a. The worth at the time of award of the unpaid rent, which had been earned at the time of termination;

b. The worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided.

c. The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for such period that Tenant proves could be reasonably avoided; and

d. Any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom; and

e. At District's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of California.

The "worth at the time of award" of the amounts referred to in subparagraphs (a) and (b) above is computed by allowing interest at the maximum legal interest rate. The worth at the time of award of the amount referred to in subparagraph (c) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

26. **Contact Personnel.** Tenant shall designate and furnish District with the names, telephone numbers and addresses of two employees of Tenant who have authority to provide access to the Premises by District's personnel for emergency purposes.

27. **Notices.** All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and the Tenant at **3249 Terminal Drive, Suite 101, Santa Maria, CA 93455.** Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

28. **Attorneys' Fees.** If either party commences any legal action or proceeding against the other party to interpret, perform or keep any term, covenant or condition of this Lease or cause any term, covenant or condition of this Lease to be kept or performed by the other party, the party prevailing in such action shall be entitled to recover court costs and a reasonable attorney's fee to be fixed by the court (including the reasonable value of services rendered in such action by District's appointed District Counsel).

29. **Advances.** In the event of Tenant's breach of any covenant or condition of this Lease, District may, but shall not be obligated to at any time, with or without prior notice, cure such breach for the account and at the expense of Tenant, and in such event the amount thereof shall be immediately due and payable by Tenant to District upon demand in writing and shall bear interest at the maximum rate an individual is permitted by law to charge from the date such expenses were incurred until repaid in full.

30. **Signs.** No sign, advertisement, notice or other lettering shall be inscribed, painted or affixed by Tenant on any part of the Premises or on any portion of the Airport without the prior written consent of District's General Manager. Any such sign, advertisement, notice or other lettering must be removed by Tenant at Tenant's expense before the end of the term of this Lease, including repair of any damage in such removal. Any sign not removed at the end of the term shall be deemed abandoned and may be retained as property of the District or may be removed by District in which case Tenant shall pay District the cost of removal thereof. All signs shall be kept in good repair and condition by Tenant. All signs must conform to the ordinances and regulations of the City of Santa Maria and approval of the District. Banners are prohibited.

31. **Vehicles.** Any motor vehicles of Tenant permitted to operate on any aircraft movement area at the Airport shall be equipped with two-way radios capable of two-way communication with the control tower at the Airport.

32. **Nuisance.** Tenant shall not commit, or suffer or permit waste, excessive noise, excessive accelerations of air, obnoxious odors, excessive dust or any other nuisance in, on, about or adjacent to the Premises constituting an unreasonable interference with other District tenants or persons using the Airport.

33. **Assignment. Subletting and Encumbering.** Tenant shall not assign, mortgage, encumber or grant control of this Lease or any interest, right or privilege herein or sublet the whole or any part of the Premises or license or grant concessions for use of the Premises or any part thereof. Any assignment, mortgage, encumbrance, transfer, sublease, permit, license or concession in violation of this paragraph shall be void and, at the option of District, shall terminate this Lease.

34. **Fire Safety.** Tenant shall furnish and keep adequate fire extinguishers in sufficient numbers and in convenient and accessible places upon the Premises; said fire extinguishers shall be charged and ready for immediate use as required by fire regulations and applicable laws or ordinances. If Tenant receives an inspection notice or a deficiency or correction notice following an inspection by the City of Santa Maria Fire Department, Tenant agrees to make any and all corrections immediately in the manner required by the fire department, but in no event later than five (5) days after receipt of the notice.

35. **Access.** Tenant shall have reasonable access to the Premises through the closest airfield gate only.

36. **Parking.** Tenant and Tenant's employees and invitees shall park vehicles where designated by the District's General Manager.

37. **General.**

a. Each term and each provision of this Lease agreement performable by Tenant shall be construed to be both a covenant and a condition. Time is of the essence of each term, condition and provision of this Lease agreement.

b. One or more waivers by District of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition. District's consent to or approval of any act by Tenant requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent to or approval of any subsequent similar act by Tenant. No act or thing done by District or District's employees or agents shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing signed by District. Delivery of keys to any agent or employee of District shall not operate as a termination of this Lease or a surrender of the Premises. No provision of this agreement shall be deemed to have been waived by District unless such waiver is in writing signed by District.

c. This Lease and Tenant's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights of way, and encumbrances affecting the Premises now of record or hereafter granted, caused or suffered by District.

d. Captions appearing herein are for convenience of reference only and shall not govern the construction of this agreement. All exhibits attached hereto are incorporated herein and made a part hereof.

e. If any provision of this agreement shall be held by a court of competent jurisdiction to be invalid, the remainder of this agreement shall continue in full force and effect and shall in no way be affected or invalidated thereby.

f. This agreement contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this agreement.

g. This agreement is made subject to any approval or consent of the Federal Aviation Administration, which may be required.

38. **Quitclaim.** At the expiration or earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to District within thirty (30) days after written demand from District to Tenant any quitclaim deed or other document required by any reputable title company to remove the cloud of this Lease from the real property subject to this Lease.

39. **Interpretation and Venue.** This Lease is to be interpreted in accordance with the laws of the State of California. Any legal action relating to this Lease shall be brought in the court of appropriate jurisdiction in the County of Santa Barbara, State of California.

40. **Tenant's Obligations.** Tenant shall:

a. If a California corporation, furnish to District a copy of its Articles of Incorporation and a current listing of its officers, directors and agent for service of process filed with the California Secretary of State. If an out-of-state corporation, also furnish a copy of a current Certificate of Qualification issued by the California Secretary of State qualifying the corporation to do business in the State of California, as well as a certificate designating its agent for service of process in the State of California.

1. If a partnership, furnish District a copy of the published statement of doing business under a fictitious name filed with the Santa Barbara County Clerk.

2. If any other type of entity, furnish such information as District may reasonably request to verify the nature and status of the entity and responsible individuals.

b. Tenant's signatories on the Agreement shall complete, as individuals, and return to District District's Lessee/Licensee Information Form.

IN WITNESS WHEREOF, the parties have executed this Lease.

Dated: October 26, 2017

DISTRICT:

Approved as to content for District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

Chris Hastert, General Manager

By: _____
Carl Engel, President

Approved as to form for District:

By: _____
Chuck Adams, Secretary

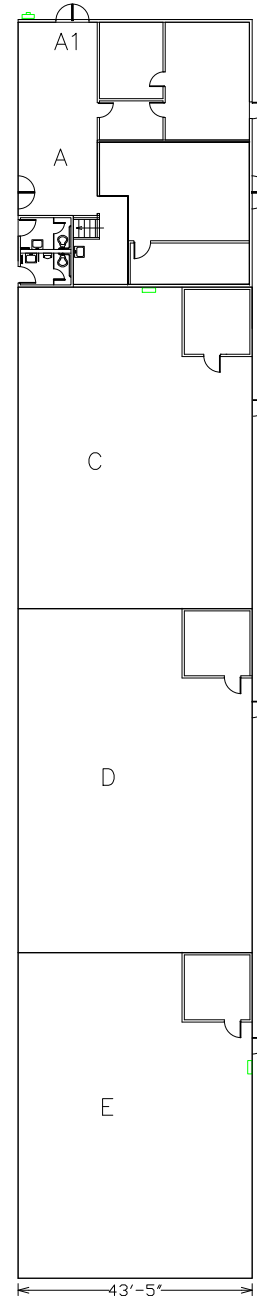
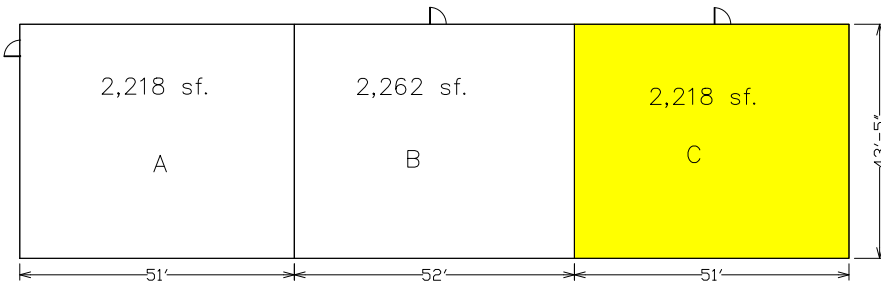
District Counsel

TENANT:

Central Coast Shuttle

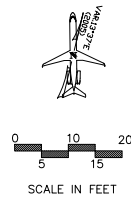
By: _____
Kal Saifi, Owner

3115
AIRPARK DR.



3117
LIBERATOR ST.

3115	WITH	DEPTH"	DOOR HEIGHT	SF.
C	58'3"	43'5"	14'9"	2,597



PROPOSED
LEASE

AutoCad\PROPOSED LEASES\3115 AIRPARK C.dwg, 7/6/2017 8:58:23 AM, AutoCAD PDF (High Quality Print).pc3



3217 TERMINAL DR.
SANTA MARIA, CA
93455.
(805) 922-1726

REVISIONS	
DATE	By:
6/6/17	RH

DRAWN BY:
RH

EXHIBIT - A
CENTRAL COAST SHUTTLE
3115 - C AIRPARK DR.

DRAWING NUMBER
3115-C AIRPARK

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

(i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

(ii) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

(iv) the presence of which on the Premises or the Airport causes or threatens to cause a nuisance upon the Premises or the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises or Airport; or

(v) the presence of which on adjacent properties could constitute a trespass by; or

(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(vii) without limitation which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or

(viii) without limitation radon gas.

B. ENVIRONMENTAL REQUIREMENTS

Environmental Requirements means all applicable present and future statutes, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including, without limitation:

1. All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of "Hazardous Materials", chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and
2. All requirements pertaining to the protection of the health and safety of employees or the public.

C. ENVIRONMENTAL DAMAGES

Environmental Damages means all claims, judgments, damages, losses, penalties, fines, liabilities, encumbrances, liens, costs, and expenses of investigation and defense of any claims, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time caused by "Hazardous Materials" upon, about, beneath the Premises or Airport or migrating or threatening to migrate from the Premises or the Airport, or the existence of a violation of "Environmental Requirements" pertaining to the Premises or the Airport as the result of "Tenant's" use or occupancy of the Premises or the Airport or as the result of any of "Tenant's" (or "Tenant's" agents, employees, invitees or officers) actions or omissions, regardless of whether the existence of such "Hazardous Materials" or the violation of "Environmental Requirements" arose prior to the present ownership or operation of the Premises, and including without limitation:

1. Damages for personal injury, or injury to property or natural resources occurring upon or off of the Premises or the Airport, (foreseeable or unforeseeable), including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties;

2. Fees incurred for the services of attorneys, consultants, "Tenant's", experts, laboratories and all other costs incurred in connection with the investigation or remediation of such "Hazardous Materials" or violation of "Environmental Requirements" including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, and including without limitation any attorney's fees, costs and expenses incurred in enforcing this agreement or collecting any sums due hereunder; and

3. Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced in subparagraph 2 herein;

4. Diminution in the value of the Premises or the Airport, and damages for the loss of business and restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Premises or the Airport.

EXHIBIT "C"

RIDER

Rider to the License Agreement dated October 26, 2017, herein called "License") between Santa Maria Public Airport District (herein called "District") and Central Coast Shuttle (herein called "Licensee").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

1. Tenant, for himself, his 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 leased property described in this lease 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 himself, his 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, color, or national origin 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 leased property and the 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 leased property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, 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. That in the event of breach of any of the above nondiscrimination covenants, District shall have the right to terminate this lease and to reenter and repossess the leased property and the facilities thereon, and hold the same as if this lease 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 thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance District shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the District or the United States either or both said governments shall have the right to judicially enforce Provision 4 above.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement, contract, license, permit or other instrument by which Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the leased property.

7. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Tenant assures that it will require that its covered suborganizations provide assurances to the Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

8. District reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. District reserves the right, 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, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between District and the United States relative to the development, operation or maintenance of the Airport.

11. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased property, or in the event of any planned modification or alterations of any present or future building or structure situated on the leased property.

12. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

13. There is hereby reserved to District, 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 leased property. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport.

14. Tenant by accepting this lease 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 the leased property above the mean sea level elevation of 300 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased property and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant.

15. Tenant by accepting this lease agrees for itself, its successors and assigns that it will not make use of the leased property in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, District reserves the right to enter upon the leased property and cause the abatement of such interference at the expense of Tenant.

16. This lease and all the provisions hereof 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 said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

BUILDING SPACE LEASE

By this lease, dated October 26, 2017 and commencing November 1, 2017, by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "Landlord" or "District"), a public airport district of the State of California, and Michael Whitford DBA West Coast Specialties, (herein called "Tenant").

1. Definitions: The following words and phrases used in this lease shall have the meaning set forth opposite them:

District:	Santa Maria Public Airport District
District's Addresses:	3217 Terminal Drive Santa Maria, CA 93455
Tenant:	Michael Whitford dba West Coast Specialties 907 Amethyst Drive Santa Maria, CA 93455 Phone: (805) 310-2050
Airport:	Santa Maria Public Airport District Santa Maria, CA 93455
Premises:	Portion of 3117-A Liberator Street at the Airport shown on diagram attached hereto as Exhibit "A" consisting of approximately 1,329 square feet of floor area.
Address of Premises:	3117-A Liberator Street Santa Maria, CA 93455

2. Premises. District hereby leases to Tenant and Tenant leases from District the Premises for the rent and on the terms and conditions hereinafter set forth.

3. Lease Term. The term of this lease shall be month to month, commencing December 1, 2017, and continuing thereafter until this lease is terminated

a. Early Possession. Notwithstanding anything in this lease to the contrary, provided that Tenant has delivered the security deposit required hereunder, Landlord shall permit Tenant to enter the Premises prior to December 1, 2017 solely for the purposes of (i) performing improvements (provided that such improvement work shall be performed in accordance with Article 9 hereof), and (ii) installing furniture, equipment or other personal property. Such possession prior to December 1, 2017 shall be subject to all of the terms and conditions of this lease, except that Tenant shall not be required to pay rent with respect to the period of time prior to December 1, 2017 during which Tenant occupies the Premises for such purposes.

4. Rent: Tenant shall during this lease pay to District as monthly rent, the sum of \$489.00 (Office-620 sq. ft. x \$0.4382 + Shop-709 sq. ft. x \$0.3067) on the first day of each calendar month, without prior notice, demand, deduction or offset, at District's office at 3217 Terminal Drive, or such other address as District may direct Tenant in writing (herein called "Base Rent").

5. Security Deposit. On execution of this lease, Tenant shall deposit with District \$978.00 as a security deposit for the performance by Tenant of the provisions of this lease. If Tenant is in default, District can use the security deposit, or any portion of it, to cure the default or to compensate District for any damage sustained by District resulting from Tenant's default. Tenant shall immediately upon demand pay to District a sum equal to the portion of the security deposit expended or applied by District as provided in this section so as to maintain the security deposit in the sum initially deposited with District. If Tenant is not in default at the expiration of termination of this lease, District's obligations with respect to the security deposit are those of a debtor and not the trustee. District shall deposit and maintain the security deposit in a separate interest-bearing and federally insured account in the name of District with a bank, or savings and loan association in Santa Maria, subject to withdrawal and retention by District of all or any part of the amount on deposit or accrued interest to cure the default of Tenant or to compensate District for all damage sustained by District resulting from Tenant's default.

6. Late Payment Penalty. Tenant acknowledges that late payment by Tenant to District of rent will cause the District to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Tenant is not received by District on or before the date it is due (or on the next business day of the District that is not a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day, if the date the rent installment is due falls on a Saturday, Sunday, or holiday on which the administrative office of the District is closed for a whole day), Tenant shall pay to District an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that District will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the rights and remedies available to District.

7. Utilities. Tenant shall pay all costs, charges and deposits for all utilities and services furnished to or used by Tenant, including without limitation, gas, electricity, telephone service, water, trash collection and for all connection charges.

8. Permitted Uses of Premises. Office space for sales and storage of aviation supplies, parts and merchandise.

9. Tenant Improvements. Tenant shall be responsible for all improvements unless previously authorized in writing by District. Any such improvements shall conform with all applicable laws, codes and permitting requirements.

10. Taxes, Licenses. Tenant shall pay before delinquency any and all taxes (including real property taxes), assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interests of Tenant, and personal property, improvements or fixtures owned, controlled or installed by Tenant and used or located on the Airport or Tenant's business. By entering into this lease, a possessory interest subject to property taxation may be created, and Tenant may be subject to payment of property taxes levied on such interest. Tenant shall pay all such taxes. Tenant shall also secure and maintain in force during the term of this lease all licenses and permits necessary or required by law for the conduct of Tenant's business or operations.

11. Insurance. Tenant shall secure and maintain, without cost to District, in full force and effect at all times during the term of this lease the following types and amounts of insurance:

(a) Comprehensive broad form public liability insurance, including bodily injury liability, property damage liability coverage and contractual liability coverage with a combined single limit of liability of at least \$1,000,000 for each accident or occurrence.

District shall be named as an additional insured in each policy required herein. Said insurance policies shall be without offset to any insurance policies of District, and shall be primary insurance, not excess insurance, up to the aforesaid limits. Tenant shall provide District with copies of all insurance policies and certificates issued by the insurer, including in each instance an endorsement or certificate providing that such insurance shall not be cancelled or coverage reduced except after thirty (30) days written notice to District. The liability limits of all insurance specified above may be increased at the option of District upon giving Tenant at least thirty (30) days prior written notice of the increased limits.

12. Use and Condition of Premises. Tenant may use the Premises only for the Permitted Uses of Premises. Tenant represents that Tenant has inspected the Premises and accepts the condition of the Premises and assumes all risks incidental to use of the Premises.

13. Assignment, Subletting and Encumbering. Tenant shall not assign, mortgage, encumber or grant control of this lease or any interest, right or privilege herein or sublet the whole or any portion of the Leased Premises or license or grant concessions for use of the Leased Premises or any part thereof. Any such assignment, mortgage, encumbrance, transfer, sublease, permit or concession shall be void and, at the option of District, shall terminate this lease.

14. Nuisance. Tenant shall not commit, or suffer or permit waste, excessive noise, excessive accelerations of air, obnoxious odors, excessive dust or any other nuisance on or adjacent to the Leased Premises or otherwise constituting an unreasonable interference with other District tenants or persons using the Airport.

15. Parking. Tenant and its invitees shall have nonexclusive use of existing public parking areas adjacent to the east side of the Main Hangar.

16. Tenant's Agreements. Tenant agrees to do all of the following:

- (a) Comply with the rules, regulations and directives of District related to use of the Premises, Airport and its facilities.
- (b) Comply with all laws, regulations, ordinances, and orders of federal, state and local governments as they relate to Tenant's use of the Premises, the Airport, and Airport facilities.
- (c) Keep the Premises in good order and condition, free of trash and debris, at Tenant's expense.
- (d) Deliver possession of the Premises to District on termination of this lease in at least as good condition as it is at the inception of this lease, ordinary wear and tear or act of God excepted, and free of any personal property.
- (e) Pay, before delinquency, all taxes and assessments by any governmental agency on the leasehold interest of Tenant, including any possessory interest property tax assessed by the County of Santa Barbara, and on property of Tenant.

17. Prohibitions. Tenant agrees not to do any of the following:

- (a) Store property outside the Premises.
- (b) Commit or suffer excessive noise, obnoxious odors, excessive dust or any other nuisance on the Airport.
- (c) Permit anyone else to use the Premises except Tenant's employees, customers and invitees.
- (d) Make use of the Premises or Airport in any manner which may interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard.
- (e) Use, keep or store in the Premises any combustible or inflammable liquids, gases or substances, unless authorized as Permitted Uses of the Premises.
- (f) Use any torches, heaters or other devices in the Premises that cause a flame or fire, except cigarette lighters.
- (g) Store in or on the Premises any property or articles or conduct any activities or operations which are not directly related or incident to the permitted uses in Paragraph 5 of this lease.
- (h) Park any refueling truck within twenty-five (25) feet of the building of which the Premises forms a part.

18. Damage or Destruction of Premises. In the event the Premises are damaged or destroyed and unfit for use by Tenant, either party may terminate this lease upon seven (7) days prior written notice thereof and the monthly rent will be prorated to the date of the damage or destruction.

19. Entry by District. District reserves the right to enter the Premises at any reasonable time to make inspections or repairs, and at any time in case of an emergency. District will provide Tenant with a key to the doors of the Premises, which will be returned to District upon termination of this lease.

20. Waiver. The waiver by District of any violation on the part of Tenant shall not be construed as a waiver of any subsequent violations. The receipt by District of rents with knowledge of the breach of any covenant or condition of this lease shall not be deemed a waiver of such breach. No provision of this lease shall be deemed to have been waived by District unless such waiver be in writing, signed by District.

21. Notices. All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and to Tenant at 907 Amethyst Drive, Santa Maria, CA 93455. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

22. Indemnity. Tenant agrees to indemnify, protect, defend (with counsel acceptable to District) and save harmless District, its directors, officers, employees, agents and representatives and the Leased Premises at all times from and against any and all suits, proceedings, liens, actions, penalties, liability, loss, expense, claims or demands of any nature including costs and expenses for legal services arising out of or in any way connected with, directly or indirectly, the acts or omissions of Tenant or its officers, agents, employees, guests, customers, visitors or invitees, or the operations of the Tenant on the Airport or the use or occupancy of the Leased Premises by Tenant, excepting only liability or loss caused by the sole active negligence of District or its willful misconduct.

23. Default. In the event Tenant fails to pay rent when due or is in default under any provision of this lease, District may terminate this lease and resort to the rights and remedies provided by the laws of the State of California.

24. Compliance with Laws. Tenant will abide by and comply with all applicable and valid laws, rules, regulations and orders of federal, state and local governments and governmental agencies, including, but not limited to, any and all regulations concerning air quality and/or water quality, fire and/or occupational safety, which may apply to the conduct of Tenant's business at the Airport. Subject to the provisions of Paragraph 14, Tenant specifically agrees that it is a condition of the Tenant for which a Material Safety Data Sheet is required or otherwise reference or listed on Exhibit "B" will be stored, used and disposed of, together with any contaminated by-products of such use, in strict compliance with the applicable Material

Safety Data Sheet or the requirements of the governmental agency with authority to regular such storage, use and disposal. Tenant further agrees to maintain adequate storage and disposal on the leased premises and available for inspection at any reasonable time adequate records of material stores, used or disposed of, including but not limited to Material Safety Data Sheets and Uniform Hazardous Waste Manifests for material shipped from the lease premises.

25. Attorneys' Fees. If either party brings any action or proceeding to interpret, enforce, protect, or establish any right or remedy under this lease, the prevailing party shall be entitled to recover reasonable attorney's fees, costs and expenses.

26. Rider Attached. The provisions of the FAA Rider attached hereto as Exhibit "C" are incorporated herein and made a part hereof.

27. Repairs and Maintenance. Except as otherwise provided herein, Tenant shall, at Tenant's sole cost, keep and maintain the Premises and every part thereof in good and sanitary order, condition and repair. Tenant shall not make any repairs, which are the responsibility of District without District's prior written consent. Tenant waives all rights to make repairs at District's expense. Tenant shall keep the Premises, at Tenant's expense, clean and free from litter and dust at all times. District will, at District's expense, repair and maintain the roof, exterior walls and doors of the Premises. District's obligation to maintain does not include any damage caused by Tenant or Tenant's employees contractors or invitees.

IN WITNESS WHEREOF, the parties have executed this lease.

Dated: October 26, 2017

District:

Approved as to content
for District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: _____
Carl Engel, President

Chris Hastert, General Manager

Approved as to form
for District:

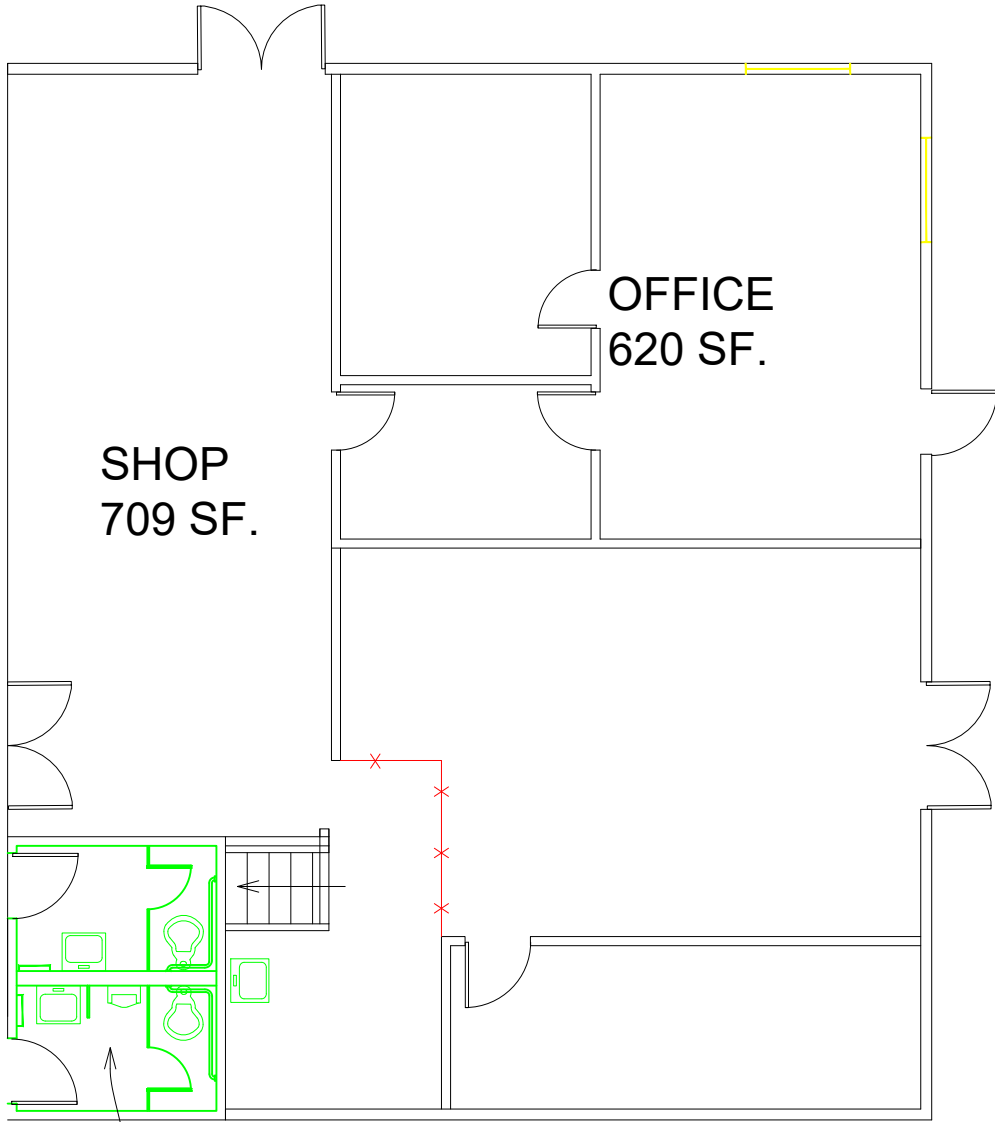
By: _____
Chuck Adams, Secretary

District Counsel

Tenant:

By: _____
Michael Whitford, President

H:\Drawings\AutoCad\PROPOSED LEASES\317-A LIBERATOR ST..dwg, 10/25/2017 10:21:34 AM



SHOP
709 SF.

OFFICE
620 SF.

OVER HEAD
STORAGE
ABOVE
RESTROOMS

TOTAL
1,329 SF.



NOT TO SCALE



3217 TERMINAL DR.
SANTA MARIA, CA
93455.
(805) 922-1726

REVISIONS	
DATE	By:
10/24/17	RH

DRAWN BY:
RAY HEATH

EXHIBIT-A
3117-A LIBERATOR ST.

DRAWING NUMBER
3117 LIBERATOR

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

(i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

(ii) which is or becomes defined as a "hazardous waste", "hazardous substance", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

(iv) the presence of which on the Premises or the Airport causes or threatens to cause a nuisance upon the Premises or the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises or Airport; or

(v) the presence of which on adjacent properties could constitute a trespass by; or

(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(vii) without limitation which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or

(viii) without limitation radon gas.

B. ENVIRONMENTAL REQUIREMENTS

Environmental Requirements means all applicable present and future statutes, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including, without limitation:

1. All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of "Hazardous Materials", chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and
2. All requirements pertaining to the protection of the health and safety of employees or the public.

C. ENVIRONMENTAL DAMAGES

Environmental Damages means all claims, judgments, damages, losses, penalties, fines, liabilities, encumbrances, liens, costs, and expenses of investigation and defense of any claims, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time caused by "Hazardous Materials" upon, about, beneath the Premises or Airport or migrating or threatening to migrate from the Premises or the Airport, or the existence of a violation of "Environmental Requirements" pertaining to the Premises or the Airport as the result of "Tenant's" use or occupancy of the Premises or the Airport or as the result of any of "Tenant's" (or "Tenant's" agents, employees, invitees or officers') actions or omissions, regardless of whether the existence of such "Hazardous Materials" or the violation of "Environmental Requirements" arose prior to the present ownership or operation of the Premises, and including without limitation:

1. Damages for personal injury, or injury to property or natural resources occurring upon or off of the Premises or the Airport, (foreseeable or unforeseeable), including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties;

2. Fees incurred for the services of attorneys, consultants, "Tenant's", experts, laboratories and all other costs incurred in connection with the investigation or remediation of such "Hazardous Materials" or violation of "Environmental Requirements" including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, and including without limitation any attorney's fees, costs and expenses incurred in enforcing this agreement or collecting any sums due hereunder; and

3. Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced in subparagraph 2 herein;

4. Diminution in the value of the Premises or the Airport, and damages for the loss of business and restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Premises or the Airport.

EXHIBIT "C"

RIDER

Rider to the License Agreement dated November 1, 2017, herein called "License") between Santa Maria Public Airport District (herein called "District") and Michael Whitford DBA West Coast Specialties (herein called "Licensee").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

1. Tenant, for himself, his 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 leased property described in this lease 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 himself, his 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, color, or national origin 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 leased property and the 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 leased property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, 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. That in the event of breach of any of the above nondiscrimination covenants, District shall have the right to terminate this lease and to reenter and repossess the leased property and the facilities thereon, and hold the same as if this lease 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 thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance District shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the District or the United States either or both said governments shall have the right to judicially enforce Provision 4 above.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement, contract, license, permit or other instrument by which Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the leased property.

7. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Tenant assures that it will require that its covered suborganizations provide assurances to the Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

8. District reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. District reserves the right, 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, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between District and the United States relative to the development, operation or maintenance of the Airport.

11. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased property, or in the event of any planned modification or alterations of any present or future building or structure situated on the leased property.

12. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

13. There is hereby reserved to District, 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 leased property. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport.

14. Tenant by accepting this lease 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 the leased property above the mean sea level elevation of 300 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased property and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant.

15. Tenant by accepting this lease agrees for itself, its successors and assigns that it will not make use of the leased property in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, District reserves the right to enter upon the leased property and cause the abatement of such interference at the expense of Tenant.

16. This lease and all the provisions hereof 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 said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.