

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

**Thursday  
March 08, 2018**

**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: Rafferty, Adams, Engel, Brown, Baskett**

- 1. MINUTES OF THE REGULAR MEETING HELD FEBRUARY 22, 2018.**
- 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**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
  - a) Demand Register**
- 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 A LEASE BETWEEN THE DISTRICT AND SCANNELL PROPERTIES.**
8. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO CONSENT TO THE TRANSFER OF THE HANGAR LOCATED AT 2987-B AIRPARK DRIVE TO RAVINDRA CHANDRASENA.**
9. **NOMINATION FOR INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE TO SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION.**
10. **NOMINATION FOR INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE FOR COUNTY WIDE REDEVELOPMENT AGENCY OVERSIGHT BOARD.**
11. **AUTHORIZATION FOR THE AWARD OF THE FENCE REPAIR PROJECT TO J F WILL CO. AND AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE CONTRACT BETWEEN THE DISTRICT AND J F WILL CO. FOR THE FENCE REPAIR PROJECT SUBJECT TO DISTRICT COUNSEL'S REVIEW ON INSURANCE AND BONDS.**
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 FEBRUARY 22, 2018

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 Rafferty, Adams, Engel, Brown and Baskett, General Manager Hastert, Manager of Finance & Administration Reade and District Counsel George.

1. MINUTES OF THE REGULAR MEETING HELD February 8, 2018. Director Adams made a Motion to approve the minutes of the regular meeting held February 8, 2018. Director Engel Seconded and it was carried by a 5-0 vote. Director Baskett asked for the minutes to include that he was willing to participate from an alternate location.
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) – The committee met and discussed endangered species and then viewed the property.
3. GENERAL MANAGER'S REPORT. General Manager Hastert notified the Board about the Master Plan meeting for the Planning Advisory Committee followed by a public workshop. Mr. Hastert gave updates on the GIS, the non-airworthy aircraft removal and the progress of the Pepper Garcia's renovation. He discussed the meeting with the Air Service Development team and the updated presentation. The Customs final packet has been submitted for approval. Mr. Hastert met with the Santa Maria PD to discuss a potential site for motorcycle training.

1 4. MANAGER OF FINANCE & ADMINISTRATION REPORT.

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3 The Manager of Finance & Administration presented the Demand Register to the  
4 Board for review and approval.

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6 a) Demand Register. The Demand Register, covering warrants 065027 through  
7 065075 in the amount of \$156,082.72 was recommended for approval as  
8 presented. Director Baskett made a Motion to accept the Demand Register  
9 as presented. Director Adams Seconded and it was carried by a 5-0 vote.

10  
11 b) Budget to Actual. Received and filed.

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

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

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25 Dan Demeter of International Emergency Services requested to speak. He asked  
26 the Board to consider adding an item to the agenda allowing IES to test a new fire-  
27 retardant product on the airfield.

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29 Discussion was held between Directors and Counsel and no action was taken.

30  
31 7. Authorization for the award of the 2018 Striping Project to Cal Stripe Inc. and  
32 Authorization for the President and Secretary to execute a contract between the  
33 District and Cal Stripe, Inc. for the 2018 Striping Project subject to District  
34 Counsel's review on insurance and bonds. Director Baskett made a Motion to  
35 approve. Director Engel Seconded and it was carried by a 5-0 vote.

36  
37 8. Approval of budget deviation number 3 for 2017-2018 budget. Director Baskett  
38 made a Motion to approve. Director Brown Seconded and it was carried by a 5-0  
39 vote.

40  
41 9. Authorization for one Maintenance worker to attend the HySecurity/Nice Regional  
42 Product Seminar to be held April 3-6, 2018 in Dallas, TX. Director Adams made a  
43 Motion to approve. Director Baskett Seconded and it was carried by a 5-0 vote.

44  
45 10. Discussion and direction to staff regarding Workers' Compensation Resolution for  
46 Governing Body Members. The Directors discussed and decided it was not  
47 necessary to be added to the policy.

48  
49 11. Authorization for the President and Secretary to execute the Building Space Lease  
50 between the District and Unity Courier. Director Brown made a Motion to approve.  
51 Director Baskett Seconded and it was carried by a 5-0 vote.

1 RECESS: At 7:34 p.m.

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3 Return to OPEN SESSION: At 7:43 p.m. The Board and staff reconvened to Open  
4 Session.

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6 12. CLOSED SESSION. At 7:43 p.m. the Board went into Closed Session to discuss  
7 the following item(s):

8  
9 a) Conference with Real Property Negotiators (Chris Hastert, Tom Ross and  
10 District Counsel) Re: 1424 Fairway Dr. (Gov. Code Section 54956.8).

11  
12 b) Conference with Real Property Negotiators (Chris Hastert, Tom Ross and  
13 District Counsel) Re: APN 111-231-11 (Gov. Code Section 54956.8)

14  
15 At 8:02 p.m., the Board and staff reconvened to Open Public Session.

16  
17 There were no reportable actions.

- 18  
19 13. DIRECTORS' COMMENTS: Director Engel would like to know the status of the  
20 sweeper and the ramp cleanup. He also notified the Board that UPS is building in  
21 San Luis Obispo.

22  
23 Director Adams had no comment.

24  
25 Director Brown would like a P & L statement given to the Directors monthly. He  
26 would also like to see how feasible it would be to develop the land by the owner  
27 built hangars.

28  
29 Director Baskett commented that he would like an accurate record in the minutes  
30 that Director Engel made statements to him in closed session for which Director  
31 Baskett would like an apology and an affidavit saying those statements weren't  
32 true.

33  
34 Director Rafferty is happy to hear the FedEx property sale is moving forward. He  
35 also announced that Mr. Hastert will be receiving General Manager of the Year  
36 award on 2/26/18.

- 37  
38 14. ADJOURNMENT. President Rafferty asked for a Motion to adjourn to a Regular  
39 Meeting to be held on March 8, 2018 at 7:00 p.m. at the regular meeting place.  
40 Director Baskett made that Motion, Director Engel Seconded and the Motion was  
41 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 8:12 p.m. on February 22, 2018.

\_\_\_\_\_  
Hugh Rafferty, President

\_\_\_\_\_  
Carl Engel, Secretary

**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 065076 to 065120 on Pacific Premier Bank in the amount of \$240,079.31.

\_\_\_\_\_  
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 065076 to 065120 on Pacific Premier Bank in the total amount of \$240,079.31 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 MARCH 8, 2018.

\_\_\_\_\_  
CARL ENGEL  
SECRETARY

## Santa Maria Public Airport District

### Demand Register

Check Number	Check Date	Vendor Name	Check Amount	AIP Funding	Description
065076*	2/22/2018	Bickel's Heating and Air	\$518.51		Maint. - Heating & Air Condit.
065077*	2/22/2018	Adamski Moroski	\$4,794.50		Legal Service
065078*	2/22/2018	Blueglobes, Inc.	\$2,995.46		Lighting & Nav Aid Maint.
065079*	2/22/2018	Andrea L. Brown	\$207.30		Travel Expense Reimb.
065080*	2/22/2018	City of Santa Maria-Util Div	\$4,168.48		Water Invoices
065081*	2/22/2018	J B Dewar, Inc	\$2,898.70		Fuel Expense - Gas/Diesel
065082*	2/22/2018	Letters, Inc.	\$28.00		Auto Maintenance
065083*	2/22/2018	Mead & Hunt, Inc.	\$5,630.67		Air Service Consulting
065084*	2/22/2018	Roberts & Connell LLP	\$431.10		Legal Service
065085*	3/2/2018	Chuck Adams	\$300.00		Directors Fees
065086*	3/2/2018	AT&T	\$187.24		Phone Service
065087*	3/2/2018	Bedford Enterprises, Inc.	\$362.14		Trash Removal
065088*	3/2/2018	Steve Brown	\$400.00		Directors Fees
065089*	3/2/2018	Comcast	\$608.64		Cable/Internet /Digital Voice
065090*	3/2/2018	Carl Engel, Jr.	\$300.00		Directors Fees
065091*	3/2/2018	Frontier Communications	\$726.13		Telephone Service
065092*	3/2/2018	J B Dewar, Inc	\$538.84		Fuel Expense - Gas/Diesel
065093*	3/2/2018	Orchard Supply Hardware	\$182.09		Hardware & Supplies
065094*	3/2/2018	Pacific Gas & Electric Company	\$13,541.00		Terminal/Admin./Main Hangar
065095*	3/2/2018	Hugh Rafferty	\$400.00		Directors Fees
065096*	3/2/2018	San Luis Powerhouse	\$525.00		Generator Maintenance
065097*	3/2/2018	Verizon Wireless	\$1,130.52		Cell Phones
065098	3/5/2018	Bomar Security & Investigation	\$4,894.65		Security Service
065099	3/5/2018	Carquest Auto Parts	\$177.26		Auto Maint. - Mechanical
065100	3/5/2018	CARR'S BOOT SHOP	\$116.63		
065101	3/5/2018	Central City Tool Supply, Inc.	\$15.11		Small Tools
065102	3/5/2018	City of Santa Maria	\$181,897.77		Quarterly ARFF Services
065103	3/5/2018	Clark Pest Control	\$224.00		Pest Control - Terminal & Adm.
065104	3/5/2018	Coast Clutch & Brake Supply	\$211.45		Heavy Equip. Maint. - Mech.
065105	3/5/2018	Fastenal Company	\$88.53		Shop Supplies
065106	3/5/2018	The Gas Company	\$959.28		Utilities
065107	3/5/2018	Bert Gilling	\$250.00		Security Deposit - Refund



## Santa Maria Public Airport District

### Demand Register

Check Number	Check Date	Vendor Name	Check Amount	AIP Funding	Description
065108	3/5/2018	Ray Heath	\$3,575.20		Consulting Service
065109	3/5/2018	Keylock Security Specialists	\$698.41		Maint.- Access Control System
065110	3/5/2018	Limotta Internet Technologies	\$805.00		Computer Support Services
065111	3/5/2018	MarTeeny Designs	\$200.00		Web Page Maint.
065112	3/5/2018	Mission Uniform Service	\$229.30		Uniform Service
065113	3/5/2018	Napa Auto Parts	\$29.67		Auto parts
065114	3/5/2018	Gregory Novak	\$250.00		Security Deposit - Refund
065115	3/5/2018	Office Depot	\$298.11		Office Supplies
065116	3/5/2018	Petty Cash Fund	\$279.61		Reimburse Petty Cash Fund
065117	3/5/2018	Principal Financial Group	\$2,897.45		Dental, Life, Disability, Vision
065118	3/5/2018	Toshiba Financial Services	\$548.56		Copier Lease
065119	3/5/2018	Tri-Counties Plant Service	\$275.00		Interior Plants Maint.
065120	3/5/2018	TRICOR	\$284.00		Sec. Deposit & CR Balance
Total Checks Written			<u>\$240,079.31</u>	<u>\$0.00</u>	

**\*Approved by One Board Member**

GROUND LEASE

Between

SANTA MARIA PUBLIC AIRPORT DISTRICT

And

Scannell Properties #250, LLC  
an Indiana Limited Liability Company

## GROUND LEASE

THIS GROUND LEASE (the "Lease"), dated March 8, 2018, is made and executed by and between SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district of the State of California (herein called "District") and SCANNELL PROPERTIES #250, LLC, an Indiana limited liability company licensed to do business in California (herein called "Scannell" or "Lessee").

### Recitals

A. The District and Pacific Industrial, LLC ("Pacific") entered into a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Vacant Land) dated February 12, 2015, and supplemented by an Addendum on February 18, 2015 and supplemented again by a Second Addendum on August 28, 2015 (the "Purchase Agreement") regarding approximately 21.09 acres of real property located at 1424 Fairway Drive, Santa Maria, California (the "Property" or the "Leased Premises.")

B. Pacific assigned its interest in the Purchase Agreement to Scannell pursuant to the Assignment and Assumption of Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Vacant Land) on August 13, 2015.

C. The parties initially expected the Closing to occur in November or December of 2015. As a condition to the Closing, the District has to obtain approval of the sale from the Federal Aviation Administration ("FAA Approval.") Due to unforeseen circumstances and through no fault of the parties, the District is still in the process of obtaining FAA Approval.

D. The Parties entered into an Early Access Agreement on March 3, 2016, which was amended on July 14, 2016 and again on October 27, 2016 to allow Scannell partial access to the Property to begin preparing the site for Improvements (defined below).

E. The District expects that FAA Approval will be received soon, but would like to allow Lessee full access to the Property now through this Lease upon the terms and conditions contained herein pending receipt of FAA Approval and consummation of closing under the Purchase Agreement.

F. The terms of this Lease are not intended to modify, alter or otherwise amend the Purchase Agreement or obviate any rights or obligations of either the District or Scannell thereunder, and this Lease will remain in full force and effect, but will be subject to further modification by mutual agreement of the District and Scannell if the FAA Approval is not received within six (6) months following the execution of this Lease.

NOW, THEREFORE, for and in consideration of the mutual covenants contained in this Lease, and other good and valuable consideration, the parties agree as follows:

## Agreement

1.     **Leased Premises.** District hereby leases to Lessee, and Lessee leases from District, for the term and rents, and upon the terms, conditions and covenants contained herein, the real property at the Santa Maria Public Airport (the “Airport”), consisting of approximately 21.09 acres, located at 1424 Fairway Drive, City of Santa Maria, County of Santa Barbara with Assessor’s Parcel No. 111-321-015, as further described as Parcel 1 in Exhibit “B” attached hereto and incorporated by this reference, subject to all existing and future easements, rights, encumbrances, rights-of-way, and matters of record.

2.     **Lease Term.**

a.     Initial Lease Term. The term of this Lease shall be for a period of ten (10) years and two (2) months commencing March 1, 2018, and expiring, unless sooner terminated as hereinafter provided, at midnight on April 30, 2028 (herein referred to as the “Initial Lease Term”, “Initial Term” or “term of this Lease”).

b.     Option Lease Term. Lessee will have the right and option to extend the term of this Lease for two (2) successive terms of five (5) years each (each an “Extension Term” and collectively the “Extension Terms”) by providing written notice of its desire to so extend the term of this Lease at least one hundred fifty (150) days prior to the expiration of the then current term of this Lease.

3.     **Rent.** During the term of this Lease, Lessee shall pay rent to District monthly, as set forth below:

a.     Rent. As this Lease is being entered into in contemplation of the sale of the Property and to allow Lessee full access to the Property immediately to continue constructing Improvements, rent for and during the entire term of the Lease shall be the sum of \$1.00. If the sale of the Property does not go through because FAA Approval is not received within six (6) months following the execution of this Lease, Lessee shall retroactively pay rent to the District monthly, as set forth below:

(i)     Monthly Rent. Rent for and during the term shall be the sum of \$24,780.00 monthly (the “Monthly Rent”).

(ii)    FAA Approval Anticipated. In the event that the FAA Approval is not received within six (6) months following the execution of this Lease, the District and Lessee agree to review the Monthly Rent provisions in Section 3(a)(i) and 3(a)(ii), above, and agree to negotiate with one another in good faith to determine a definitive schedule for Monthly Rent for the duration of the term of this Lease, including the Extension Terms, reflective of the value of the Property at the agreed upon purchase price of \$4,500,000.00 under the Purchase Agreement; provided, however, that absent agreement of the parties to the contrary, the Monthly Rent provisions in Section 3(a)(i) and 3(a)(ii) will remain in full force and effect.

(iii) Payment. Rent is payable on or before the first day of each calendar month during the term without prior notice, demand, deduction or offset at District's office at 3217 Terminal Drive, Santa Maria, California 93455 or such other address as District may direct Lessee in writing.

b. Additional Rent. The Monthly Rent shall be absolutely net to District. Lessee shall pay all costs, fees, taxes, liens, interest, insurance, charges, expenses, assessments, reimbursements, maintenance and obligations of every kind and nature whatsoever relating to the Leased Premises or the improvements to be constructed thereon that may arise or become due during the term or any extended term of, or arising out of the provisions of, this Lease ("Additional Rent"). Lessee shall indemnify and save District harmless from and against Additional Rent except for any cost or expense proximately resulting from a default on the part of the District under the terms of this Lease. Should Lessee fail to pay any Additional Rent when due, District shall have all of the rights, powers and remedies provided for in this Lease in the event of nonpayment of rent or other event of default. District shall at all times have the right (at its sole election and without any obligation to do so) to advance on behalf of Lessee any amount payable under the terms hereof by Lessee, or to otherwise satisfy any of Lessee's obligations hereunder deemed necessary to protect the interests of District under this Lease. No advance by District shall operate, as a waiver of any of District's rights under this Lease and Lessee shall remain fully responsible for the performance of its obligations under this Lease. Any sums so paid by District shall constitute Additional Rent and shall be immediately due and payable from Lessee.

#### **4. Construction by Lessee.**

a. Conditions to Construction of Improvements. Lessee shall have the right to construct the Improvements on the Leased Premises. "Improvements" shall mean and include all grading done on the Leased Premises as well as all buildings, structures, fixtures, excavation, parking areas, walkways, drives, landscape areas, underground installations and all other improvements of whatsoever character constructed on, around, under or over the Leased Premises by Lessee pursuant to this Lease and according to the Site Plan attached hereto as Exhibit "B." All of such Improvements shall be constructed in accordance with the requirements of any and all laws, ordinances, regulations and governmental restrictions applicable thereto, including zoning requirements and building code requirements of the City of Santa Maria and any municipal or other governmental agency having jurisdiction over the Leased Premises at the time said Improvements are constructed. Lessee shall have the right and privilege at all times during the term hereof to make such alterations, additions and Improvements to the Leased Premises as it finds necessary or convenient for its purposes or to remove structures and Improvements theretofore constructed. Before Lessee begins construction of any Improvements on the Leased Premises, Lessee shall have obtained (and delivered insurance certificates therefor to District) all insurance coverage required under Article 15 of this Lease, and the parties acknowledge that Lessee has heretofore given District adequate prior written notice prior to the commencement of any and all construction at the Leased Premises so that the District has had the opportunity to post and record appropriate notices of non-responsibility, and in any event, Lessee agrees to indemnify and hold the District harmless from and against any liability, loss, cost or damage associated with any responsibility imposed upon

District on account of any failure of the District to have posted and/or recorded any such notices of non-responsibility. If during the term of this Lease the use, or continued use of the Leased Premises by Lessee results in or otherwise requires the upgrade, renovation or improvement (collectively “upgrades”) of any portion of the Leased Premises or the Improvements constructed thereupon, in order to conform with any new or amended governmental regulation, code or similar requirements, including by way of example and not limitation, potentially upgraded Americans With Disabilities Act (ADA) requirements, Lessee shall always be responsible for costs and expenses of such upgrades.

b. Completion of Improvements and Other Work: Compliance with Law and Quality. Lessee covenants that the Improvements to be constructed on the Leased Premises, and all other construction thereon, when undertaken, while in progress and as completed, will comply with all laws and ordinances necessary to permit the development, completion and lease of the Leased Premises pursuant to this Lease, and will comply in all material respects with the Site Plan and all provisions of this Lease. All work performed on the Leased Premises pursuant to this Lease, or authorized by this Lease, shall be done in a good workmanlike manner. The interior architectural design and appearance and the interior Improvements and finish of each of the structures on the Leased Premises shall not be subject to the review and approval of District.

c. Mechanic’s. Materialman’s, Contractor’s, or Subcontractor’s Liens.

(i) Subject to Lessee’s right to contest as hereinafter provided, at all times during the Term of this Lease, Lessee shall keep the Leased Premises, including all buildings and Improvements now or hereafter located on the Leased Premises, free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Leased Premises. Lessee shall (1) promptly pay and discharge, or cause the Leased Premises to be released from, any such lien or claim of lien, or, (2) if Lessee decides to contest said lien, furnish District such bond as may be required by law to free the Leased Premises from the effect of such a lien and to secure District against payment of such lien, or provide District with other assurances with respect thereto which are satisfactory to District, in its good faith discretion.

(ii) Should Lessee fail to pay and discharge; or cause the Leased Premises to be released from any such lien or claim of lien or to provide a bond or other assurance as permitted hereunder within thirty (30) days after service on Lessee by District of a written request to do so, District may pay, adjust, compromise and discharge any such lien or claim of lien on such terms and in such manner as District may deem appropriate. In such event, Lessee shall, following any such payment by District, and after receiving not less than thirty (30) days’ written notice and reasonable evidence of payment from District reimburse District for the full amount so paid by District, including any reasonable attorneys’ fees or other costs expended by District, together with interest thereon at the legal rate from “the date of payment by District to the date of Lessee’s reimbursement of District, and such amount shall constitute additional Rent and become a part of Lessee’s obligation to pay Rent hereunder.

d. Notice of Non-Responsibility. In addition to notices heretofore given by Lessee to the District with respect to the initial construction of the Improvements, Lessee will give the District written notice, at least ten (10) days prior to initiation of any further improvement, or delivery of any materials to the Leased Premises for any such further improvement. District shall have the right to post, and/or publish, and record a Notice of Non-responsibility.

e. Permits. Lessee shall procure and comply with all then applicable codes, ordinances, regulations and requirements for permits and approvals, including but not restricted to a grading permit, building permits, zoning, environmental and planning requirements, subdivision and parcel maps, and approvals from various governmental agencies and bodies having jurisdiction.

f. Builder's Risk Insurance. Lessee shall deliver to District certificate of insurance evidencing coverage for "builder's risk" and "course of construction" insurance on the Improvements then in place or under way, including coverage against collapse, vandalism and malicious mischief.

g. Soil Conditions. District makes no covenants or warranties respecting the condition of the soil or subsoil or any other condition of the leased land. Lessee may enter onto the land before the commencement date of the lease term to make surveys and soil and structural engineering tests that Lessee considers necessary. All such surveys and tests made by or on behalf of Lessee shall be at Lessee's sole expense, without liability or expense to District. Copies shall be furnished to District upon request.

h. Diligence. Lessee shall with reasonable diligence prosecute to completion all construction of Improvements, additions or alterations. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to District as required by this Lease, and shall comply with all applicable governmental permits, laws, ordinances and regulations.

5. **Compliance with Laws.** Lessee 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 Lessee's operations. Lessee shall abide by and comply with, at Lessee's sole cost and expense, all applicable and valid laws, ordinances, statutes, rules, regulations and orders of federal, state and local governments and governmental agencies, including, but not limited to, any and all regulations concerning hazardous or toxic materials air and/or water quality, fire and/or occupational safety, and accessibility, which may apply to the conduct of Lessee's operations on the Leased Premises, at Lessee's sole cost and expense.

Lessee shall observe, obey, abide by and pay all costs of compliance with any and all rules, regulations and operating procedures now in force or hereafter adopted by District with respect to the operation of the Airport.

Lessee agrees and understands that the rules, regulations, and operating procedures of the District shall be subject to change and/or additions from time to time, as determined by District.

6. **Operating Standards.** Lessee shall, at all times conduct its operations and maintain the quality of its service in a manner reasonably satisfactory to the District and in such a manner as District determines, in its sole discretion, will not interrupt or interfere with its airport operations. At a minimum, Lessee shall conduct its business in accordance with the following operating standards. Lessee shall:

a. Provide adequate supervision for its operations at the Airport and shall insure that all equipment is in good working order at all times;

b. Require its employees or agents to comply with the provisions of this Lease and these operating standards.

c. Perform all work and services promptly and in a workmanlike, professional and first class manner in every respect.

d. Provide and keep current in the District's office, contact information for key personnel responsible for construction of the Improvements and, upon completion thereof, contact information for key operational personnel responsible for administering operations within the Improvements and on the Property, including job titles and emergency phone numbers.

e. Furnish and keep adequate fire extinguishers in the required numbers on the Leased Premises in accessible places; said fire extinguishers shall be charged and ready for immediate use as required by fire regulations and applicable laws or ordinances. If Lessee receives an inspection notice or a deficiency notice following an inspection by the Fire Department or District, or other applicable government agency, Lessee agrees to make any and all corrections immediately in the time and manner required by the Fire Department or District, but in no event later than five (5) days after receipt of the notice.

f. Be available at all times, on call or otherwise, at the Airport, through its designated employees which are authorized to bind Lessee in all matters concerning Lessee's operations at the Airport.

g. Have and arrange for any and all inspections of the Leased Premises and operations thereon by governmental agencies as are required by law, regulations or ordinances.

7. **Uses of the Leased Premises.**

a. Permitted Uses: Lessee covenants and agrees for itself, its successors and assigns, which covenants shall run with the land and bind every successor or assign in interest of Lessee, that during development and use of the Leased Premises pursuant to this Lease, neither any laws, statutes, official policies, ordinances, or codes of any governmental entity, agency or political subdivision.



b. Lessee shall have the right to use the Leased Premises for any use which is then a legally permitted use of the Leased Premises. Lessee hereby acknowledges that neither Landlord nor any of their agents or employees have made any representations to Lessee regarding Lessee's proposed use of the Leased Premises or any particular portion thereof. By signing this Lease, Lessee also acknowledges that Lessee has sufficient opportunity to make all relevant inquiry to sources other than the Landlord, their agents or employees, with respect to any proposed use of the Leased Premises or any portion thereof. Landlord makes no representation or warranty as to the suitability of the Leased Premises for the designated uses.

c. Lessee has entered into a lease (for purposes of this Lease referred to herein as the "FXG Sublease") with FedEx Ground Package System, Inc. ("FXG") for the operation, by FXG, of a package distribution facility operating 24 hours per day year-round and the District consents to such use, and upon proper request, will agree to negotiate with Lessee and FXG (and either of their respective lenders, if applicable) upon terms and conditions for an appropriate recognition agreement by which the District agrees to recognize FXG's rights under the FXG Lease, as long as FXG is not in default thereunder, in the event of any default on the part of Lessee under this Lease.

8. **Security.** District shall have no obligation to provide additional security that is greater than the normal operations of the Airport or lighting for the Leased Premises.

9. **Maintenance.**

a. Lessee's Duty to Maintain. Lessee shall, at Lessee's sole cost and expense, keep and maintain the Leased Premises and all alterations, additions and improvements on the Leased Premises in good, safe, sanitary and clean order, condition and repair at all times in accordance with all applicable laws, rules, ordinances, orders and regulations of any governmental agency or body having jurisdiction. Lessee waives all rights to make repairs at the expense of District. Lessee shall keep the Leased Premises, at Lessee's expense, clean and free from litter, garbage, refuse and debris at all times. Lessee shall take reasonable measures to protect the Leased Premises and airport from infestation of birds, insects, rodents and other pests. Lessee shall maintain all landscaping at all times. Lessee shall comply with all reasonable orders and instructions of District's General Manager in the use of the Leased Premises, which the General Manager deems to be in the best interest of the District, the public or users of the Airport, or for their safety and welfare.

If Lessee fails to maintain or make repairs as required herein, District shall have the option, but not the obligation, of making necessary corrections after a reasonable written notice from District of its intent to do so. All costs incurred by District in making said corrections, including but not limited to the cost of labor, materials, equipment and administration, shall be Additional Rent, and Lessee shall pay the same within fifteen (15) days of receipt of a statement of District's costs. District may, at its option, choose other remedies available herein as allowed by law.

Nothing in this section defining the duty of maintenance shall be construed as limiting any right given elsewhere in this Lease to alter, modify, demolish, remove, or replace any improvement, or as limiting provisions relating to condemnation or to damage or destruction during the final years of the lease term. No deprivation, impairment or limitation of use resulting from any event or work contemplated by this section shall entitle Lessee to any offset, abatement, or reduction in rent nor to any termination or extension of the leased term.

b. Damage to and Destruction of Improvements. Except as provided below, Lessee shall promptly and diligently repair, restore, and replace as required to maintain in accordance with the immediately preceding paragraph, or to remedy all damage to or destruction of all or any part of the improvements on the Leased Premises. The completed work of maintenance, compliance, repair, restoration or replacement shall be equal in value, quality, and use to the condition of the Improvements before the event giving rise to the work, valued as if the improvements had been maintained in accordance with the Lease. District shall not be required to furnish any services or facilities or to make any repairs or alterations of any kind in or on the Leased Premises. District's election to perform any obligation of Lessee under this provision after Lessee's failure or refusal to do so shall not constitute a waiver or any right or remedy for Lessee's default. Lessee shall promptly reimburse, defend and indemnify District against all liability, loss, cost and expense arising from it.

c. Removal. Upon expiration or earlier termination of this Lease, Lessee shall remove its trade fixtures, equipment and other personal property from the Property, but shall not remove any structure, building, parking areas, walkways, drives, landscape areas, or underground installations it constructed before or during the Term of the Lease. Lessee will leave the Property free and clear of any rubble and construction debris. .

10. **Utilities.** District shall have no responsibility to provide water, utility service or extensions of any kind to the Leased Premises, and any such water, utility service or extension by Lessee shall be at Lessee's sole cost and expense after consent by District.

11. **Nuisance.** Lessee shall not commit, or suffer or permit waste, excessive noise, obnoxious odors, excessive dust or any other nuisance on the Leased Premises constituting an unreasonable interference with other District Lessees or persons using the Airport.

12. **Taxes, Licenses.** Lessee shall pay before delinquency any and all taxes, (including real property and possessory interest taxes, assessments, fees or charges which may be imposed, levied or assessed upon any leasehold or possessory interests of Lessee, or Lessee's occupancy of the Leased Premises, and personal property, structures, improvements or fixtures owned, controlled or installed by Lessee. Lessee acknowledges that by entering into this Lease, a possessory interest, subject to taxation, may be created. Lessee agrees to pay all such taxes. Lessee 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 Lessee's operations.

Lessee shall also promptly pay any taxes, licenses and fees which may, during the term, be levied or assessed on personal property or business property of Lessee located on

said Leased Premises. Lessee shall be solely responsible for the payment of any and all fees for petroleum products placed in the tanks at the Leased Premises during the term of this Lease, including, but not limited to, any fees payable by an owner of an above-ground storage tank. Time is of the essence with regard to compliance with the terms of this paragraph, and failure to comply shall constitute a material breach of this Lease by Lessee.

13. **Assumption of Risks/Acceptance of Property Condition.** Lessee represents that Lessee has inspected the Leased Premises and accepts the condition of the Leased Premises and fully assumes all risks incidental to the use of the Leased Premises. District shall not be liable to Lessee's agents, employees, visitors, guests or invitees from any cause or condition whatsoever. District makes no warranty of the suitability of the Leased Premises for the purpose contemplated by Lessee by entry hereunder or that the Leased Premises are zoned for the uses permitted herein.

By entry hereunder, Lessee accepts the Leased Premises in its present condition and agrees, subject to the provisions of Section 9(c), above, on the last day of the term or sooner termination to immediately surrender to District the Leased Premises in the same or better condition as when received, damage by acts of God or by the elements excepted, subject to the provisions of Article 16 (Alterations and Improvements).

14. **Indemnity.** Lessee shall investigate, protect, defend (with counsel acceptable to District) indemnify and hold harmless District, its directors, officers, employees, agents and representatives, and the Leased Premises (collectively "District") at all times from and against any and all liability, proceedings, liens, actions, penalties, liabilities, 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 subjected to (collectively "Liability or Loss") arising out of or in any way connected with: the acts or omissions of Lessee or its officers, agents, employees, guests, customers, licensees or invitees; or Lessee's operations on, or use or occupancy of, the Leased Premises or the Santa Maria Public Airport. The foregoing indemnification excludes only liability, damages or loss caused by the sole active negligence of District or its willful misconduct. Lessee shall also indemnify and hold District harmless from and against any Liability or Loss, including third party claims, environmental requirements and environmental damages (as defined in Exhibit "C", Hazardous Material Definitions) costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Leased Premises or the improvements thereon or District's property or improvements in the vicinity of the Leased 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 ("release, etc.") of any toxic or hazardous materials (defined in Exhibit "C") which occurs in, on or about the Leased Premises as the result of any of Lessee's or Lessee's agents, employees, invitees, licensees, guests, or Lessee's activities on the Leased Premises. Lessee shall notify District immediately of any "release, etc." of any toxic or hazardous material on the Leased Premises.

15. **Insurance.** Lessee 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 general public liability, bodily injury liability, property damage liability, completed operations and products liability coverage and contractual liability with a combined single limit of liability of at least Two Million Dollars (\$2,000,000.00) for each accident or occurrence and with no more than a Three Thousand Dollars (\$3,000.00) deductible for each accident or occurrence.

b. Fire and extended coverage insurance, insuring District and Lessee, all Improvements located on or appurtenances to the Leased Premises, against loss or damage by fire and such other risks as are now or hereafter included in an extended coverage endorsement in common use for commercial buildings and improvements, including vandalism and malicious mischief. The amount of the insurance shall be sufficient to prevent either District or Lessee from becoming a coinsurer under the provisions of the policies, but in no event, shall the amount be less than ninety percent (90%) of the then actual replacement cost.

c. Workers' compensation insurance covering Lessee's employees, as required by law.

d. Automobile and mobile equipment liability insurance covering all vehicles and mobile equipment used by Lessee on the Airport providing bodily injury or death liability limits of not less than Three Hundred Thousand Dollars (\$300,000.00) for each person and Five Hundred Thousand Dollars (\$500,000.00) for each occurrence, and property damage liability with a single limit liability of not less than One Hundred Thousand Dollars (\$100,000.00) for each accident or occurrence.

Subject to the requirements of any lender providing financing for the Lessee's Improvements (herein a "Leasehold Lender"), the proceeds of the policy described in Section 15(b), above, shall be deemed to be held in trust by the recipient for the repair, restoration or reconstruction of any improvements damaged or destroyed by the casualty giving rise to the insurance claim. If the proceeds exceed that measure, the balance of the proceeds shall be paid to Lessee.

District shall be named as an additional insured in each policy required herein without offset to any insurance policies of the District. All policies shall be issued by companies licensed to do business in California and having a Best's rating of "A". Lessee shall provide District with copies of all insurance certificates issued by the insurer, including in each instance an endorsement or certificate providing that such insurance shall not be canceled or coverage reduced except after thirty (30) days' written notice to District and an endorsement insuring the contractual liability assumed by Lessee in the Indemnity paragraph of this Lease. The coverage, form and liability limits of all insurance may be increased at the option of District's Board of Directors after giving Lessee at least ninety (90) days' prior written notice.

All insurance policies shall contain language, to the extent obtainable, to the effect that (1) any loss shall be payable notwithstanding any act or negligence of District that might otherwise result in a forfeiture of the insurance, (2) the insurer waives the right of subrogation against District and against District's agents and representatives, and (3) the policies are primary and noncontributing with any insurance that may be carried by District.

16. **Use of Hazardous Material.** Lessee may not make any application of any pesticide, herbicide, rodenticide, fungicide or potentially hazardous material except under the direct supervision of a certified pest control operator, pest control applicator, or qualified applicator, whichever is appropriate to the material being applied and the process used to apply it. No hazardous material may be used on the Leased Premises except by a person who is able to read and understand attached labels and precautions.

17. **Federal Aviation Administration Rider Attached.** The provisions of the FAA Rider attached hereto as Exhibit "D", consisting of four pages, are incorporated herein and made a part hereof.

18. **Right of Entry.** District and authorized agents of District, County of Santa Barbara and City of Santa Maria, utility companies, and any public agencies having jurisdiction over the Leased Premises or Lessee's operations shall have the right to enter the Leased Premises between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, or by mutual agreement, for the purpose of inspecting the same, or to make repairs or for any reasonable purpose, and at any time in case of any emergency.

19. **Termination by District.**

a. Upon FAA Approval and Closing. After receipt of FAA Approval, the parties intend to move forward with Closing of the Purchase Agreement. Upon the Closing, this Lease will automatically terminate and all rights, interests, and obligations pursuant to the Lease will terminate.

b. Other Circumstances. Notwithstanding any other provisions contained in this Lease, 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 Lessee, upon or after the occurrence of any of the following events:

(i) Filing by or against Lessee of a voluntary or involuntary petition in bankruptcy or for reorganization unless the bankruptcy is dismissed within ninety (90) days of filing, or taking of Lessee's assets pursuant to a proceedings under the Federal Reorganization Act, or the adjudication of Lessee as a bankrupt, or the appointment of a receiver of Lessee's assets unless the receiver is removed within ninety (90) days of appointment, or divestiture of Lessee's assets or estate herein by operation of law or otherwise, or assignment by Lessee of its assets for the benefit of creditors.

(ii) The breach by Lessee or failure of Lessee to keep, observe or perform any of the covenants, conditions or provisions herein contained on the part of Lessee to be observed, kept or performed; provided, if Lessee fails to comply with any term, provision or covenant of this Lease, District shall provide Lessee with a notice of default and give Lessee such period to cure the default as provided herein.

(A) In the case of a default in the payment of Monthly Rent for a period of more than ten (10) days following the due date therefore, the District will give written notice of such default to Lessee and Lessee will have five (5) days following receipt of such notice in which to cure such default.

(B) In the case of any other monetary default other than as specified in Section 19(b)(ii)(A), the District will give written notice of such default to Lessee and Lessee will have fifteen (15) days following receipt of such notice in which to cure such default.

(C) In the case of any default not described in Section 19(b)(ii)(A) or (B), above, the District will give written notice of such default to Lessee and Lessee will have thirty (30) days following receipt of such notice in which to cure such default or such longer period of time as may be reasonably required to cure such default as long as Lessee commences to cure the default within the time period contemplated herein and diligently proceeds to cure the default thereafter.

(iii) Dissolution or liquidation of Lessee of all or substantially all of its assets.

(iv) The transfer, in whole or in part, of Lessee's interest in this Lease or in the Leased Premises, or any rights hereunder, by operation of law, whether by judgment, attachment, execution, process or proceeding of any court or any other means; provided, however, that the parties acknowledge that the FXG Sublease will not constitute a transfer for purposes of this Section 19(b)(iv).

20. **Development Costs.** Lessee shall bear all costs and expenses of development of the Leased Premises, including, but not limited to, on and off-site improvements, removal of concrete and other pavement on the Leased Premises, permits, fees, applications, environmental and plan review, subdivision or parcel map (if applicable), rezoning, general plan amendment, and review by the Santa Barbara County Airport Land Use Commission and/ or other governmental agencies.

21. **Remedies on Default.** In addition to any other remedy District may have under this Lease or by operation of law or in equity, District shall have the right, in the event of Lessee's nonpayment of rent required under this Lease, or in the event of default of any of the terms or conditions of this Lease, subject to prior notice of default and right to cure, or if Lessee shall abandon or vacate the Leased Premises, to do the following, cumulatively or in the alternative:

a. Re-entry After Termination. To terminate this Lease upon written notice to Lessee and re-enter the Leased Premises and eject some or all persons, or none, and remove

all property, other than District's property, from the Leased Premises or any part of the Leased Premises. Any property removed from the Leased 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 Lessee, and District shall have no liability therefore.

b. Re-entry Without Termination. Without terminating this Lease, District may re-enter the Leased Premises at any time and from time to time re-let the Leased Premises and the improvements thereon or any part or parts of them for the account of and in the name of Lessee or otherwise. District may at District's election eject some or all persons or none. In the event of re-letting, District shall be entitled to all rents from the use, operation or occupancy of the Leased Premises or the improvements thereon, or both. Lessee hereby appoints District its attorney-in-fact for the purpose of such leasing. Lessee shall nevertheless pay to District on the due dates specified in this Lease the equivalent of all sums required of Lessee under this Lease, plus District's expenses, including but not limited to remodeling expenses, commissions and advertising costs, less the avails of any re-letting or attornment. No act by or on behalf of District under this provision shall constitute a termination of this Lease unless and until District gives Lessee written notice of termination.

c. Termination After Re-letting. Even though District may have re-let the Leased Premises, District may thereafter elect to terminate this Lease and all of Lessee's rights in or to the Leased Premises.

d. Lessee's Personal Property. After entry or taking possession of the Leased Premises, District may, at District's election, use Lessee's personal property and trade fixtures or any of such property or fixtures without compensation or store them for the account of and at the cost and risk of Lessee or owners thereof. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item or for the same item at a later time.

e. Assignment of Subrents. Lessee assigns to District all subrents and other sums falling due from subtenants, licensees and concessionaires up to the amounts due District under this Lease (herein called "subtenants") during any period in which District has the right under this Lease, whether exercised or not, to re-enter the Leased Premises for Lessee default, and Lessee shall not have any right to such sums during the period. District may, at District's election, re-enter the Leased Premises and improvements with or without process of law without terminating this Lease, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors.

f. Termination and Remedy in Damages. No waiver by District of a default by Lessee 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 Lessee 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 Lessee's breach of this Lease, this Lease terminates. On such termination, District may elect to recover the following damages from Lessee:

(i) The worth at the time of award of the unpaid rent, which had been earned at the time of termination;

(ii) The worth at the time of 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 Lessee proves could have been reasonably avoided;

(iii) 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 Lessee proves could be reasonably avoided; and

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

(v) 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 (i) and (ii) 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 (iii) 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%).

## **22. Assignment, Subletting and Encumbering.**

a. Sublease to FXG. The District understands that Lessee plans to sublease the Leased Premises to the FXG to develop and use the Property as a distribution/ shipping center. The District approves and consents to this contemplated FXG Sublease. No additional written approval or consent from the District will be required for the FXG Sublease.

b. Except as provided above, Lessee shall not assign, transfer, mortgage, encumber or grant control of this Lease or any interest, right or privilege herein or sublet the whole of the Leased Premises without the prior written approval of District, which approval shall not be unreasonably withheld. District reserves the right to refuse to approve any assignment, transfer, mortgage, encumbrance or sublease which intensifies the use of the Leased Premises or results in any additional risk to District. Any such assignment, mortgage, encumbrance, transfer or sublease without the prior written approval of District shall be void and, at the option of District, shall terminate this Lease. Any sale or transfer of at least fifty percent (50%) of the value of the assets of Lessee shall be deemed an assignment of Lessee's interest in this Lease. Approval shall not be given to any assignment unless all of the following conditions are satisfied:

i. Lessee is not in default under the provisions or conditions of this Lease on the effective date of the assignment, mortgage, encumbrance, transfer or sublease or concession;

ii. All Improvements have been completed;



iii. District shall be given written notice at least sixty (60) days prior to the effective date of any such assignment, etc. of the intention to assign Lessee's interests herein and the name of the intended assignee, such notice being referred to as "Notice of Intended Assignment".

iv. Any assignee, mortgagee, transferee or sublessee must be, at the time of assignment, either an individual who is a resident of California or maintains an agent for service of process in the State of California, or a partnership or corporation or other entity either formed under the laws of California or qualified to do business in California, and having a resident agent for service of process.

v. The assignee, transferee or sublessee shall expressly assume in writing, signatures acknowledged, all of the covenants and conditions of this Lease on the part of Lessee to be observed and performed, in a form acceptable to District. District's fee interest in the property shall not be encumbered by or subordinated to any financing by Lessee. District shall not be required to amend the Lease to accommodate requests by any lender or assignee.

vi. District's consent to assignment may be conditioned upon an increase in the rent, if the rent is below market rent at the time of assignment.

vii. Lessee may use its leasehold interest as security for any loans to the extent such use is permitted under this Lease.

viii. If the FAA Approval is not received within six (6) months following the date of execution of this Lease, then in addition to the further negotiation of the Monthly Rent, as contemplated in Section 3(a)(iii), above, the parties will negotiate with one another, and with Lessee's Leasehold Lender, in good faith, upon terms and conditions for an amendment to this Lease to incorporate such appropriate "lender protection" provisions as may be reasonably required so that any such Leasehold Lender will have the protections typically afforded a leasehold mortgagee on and in respect of similar long term ground lease financing arrangements in the State of California.

23. **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 Lessee at 8801 River Crossing Blvd., Suite 300, Indianapolis, IN 46240. 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.

24. **Attorneys' Fees.** In the event either party commences any legal action or proceeding against the other party arising out of or in any way related to this Lease, 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).

25. **Quitclaim.** At the expiration or earlier termination of this Lease, Lessee shall execute, acknowledge and deliver to District within thirty (30) days after written demand from District to Lessee 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.

26. **Covenants and Conditions.** Each term and each provision of this Lease performable by Lessee shall be construed to be both a covenant and a condition.

27. **Time of Essence.** Time is of the essence of each term, condition and provision of this Lease.

28. **Waiver.** 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 Lessee requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent to or approval of any subsequent or similar act by Lessee. No act or thing done by District or District's employees or agents shall be deemed an acceptance of a surrender of the Leased Premises, and no agreement to accept such surrender shall be valid unless in writing signed by District. No provision of this agreement shall be deemed to have been waived by District unless such waiver be in writing signed by District.

29. **Subordinate to Specified Matters.** This Lease and Lessee's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights-of-way, and encumbrances affecting the Leased Premises now of record.

30. **Captions.** Captions appearing herein are for convenience of reference only and shall not govern the construction of this agreement.

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

32. **Integration.** This Lease contains all of the agreements and conditions made between the parties as to the leasing of the Property by the District to Lessee and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this Lease.

33. **Binding Effect.** This Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

34. **Holding Over.** Any holding over by Lessee after the expiration of this Lease, with the express or implied consent of District, shall be on a month-to-month tenancy only, at the last month's rent due under the Lease.

35. **Surrender and Site Assessment.** Lessee agrees on the last day of term hereof or sooner termination to surrender to District forthwith the Leased Premises in the same or better condition as when received, subject to the provisions of Section 9(c), above, and damage by acts of God or by the elements excepted.

Within thirty (30) days of expiration or sooner termination of this Lease, Lessee shall, at Lessee's sole cost and expense, cause to be conducted a site assessment of the Leased Premises to determine that the Leased Premises are free of any hazardous material or contamination therefrom. The nature and extent of the site assessment and the selection of the person performing the site assessment and certification shall be approved by District, whose approval shall not be unreasonably withheld. The Leased Premises shall be certified to be free of any hazardous material or contamination therefrom by a person certified by the appropriate governmental agency to conduct such site assessments. Any contamination or environmental damage on the Leased Premises or originating on the Leased Premises and migrating off the Leased Premises shall be remediated by Lessee to meet or exceed the strictest governmental standards, requirements and to District's satisfaction. If, at the expiration or sooner termination of this Lease, different standards or requirements exist for properties with different uses, then Lessee shall remediate any contamination or environmental damage to the strictest standards and requirements for aviation and/or commercial use. Lessee shall be responsible for all remedial investigation and remediation, including submission and approval of the remediation closure plan. Lessee shall not be responsible for remediation of hazardous material or contamination occurring on adjacent property not leased to Lessee and migrating onto the Leased Premises, unless Lessee is responsible for the hazardous material or contamination on the adjacent property.

36. **Disclaimer of Partnership.** The relationship between the parties is one of District and Lessee only. This Lease does not constitute a partnership or joint venture or agency agreement between the parties.

37. **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.

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IN WITNESS WHEREOF, the parties have duly executed this Lease.

Dated: March 8, 2018

DISTRICT:

Approved as to content for  
District:

SANTA MARIA PUBLIC AIRPORT  
DISTRICT,  
a state agency of the State of California

\_\_\_\_\_  
Chris Hastert, General Manager

By: \_\_\_\_\_  
Hugh Rafferty, President

Approved as to form for District:

By: \_\_\_\_\_  
Carl Engel, Secretary

\_\_\_\_\_  
District Counsel

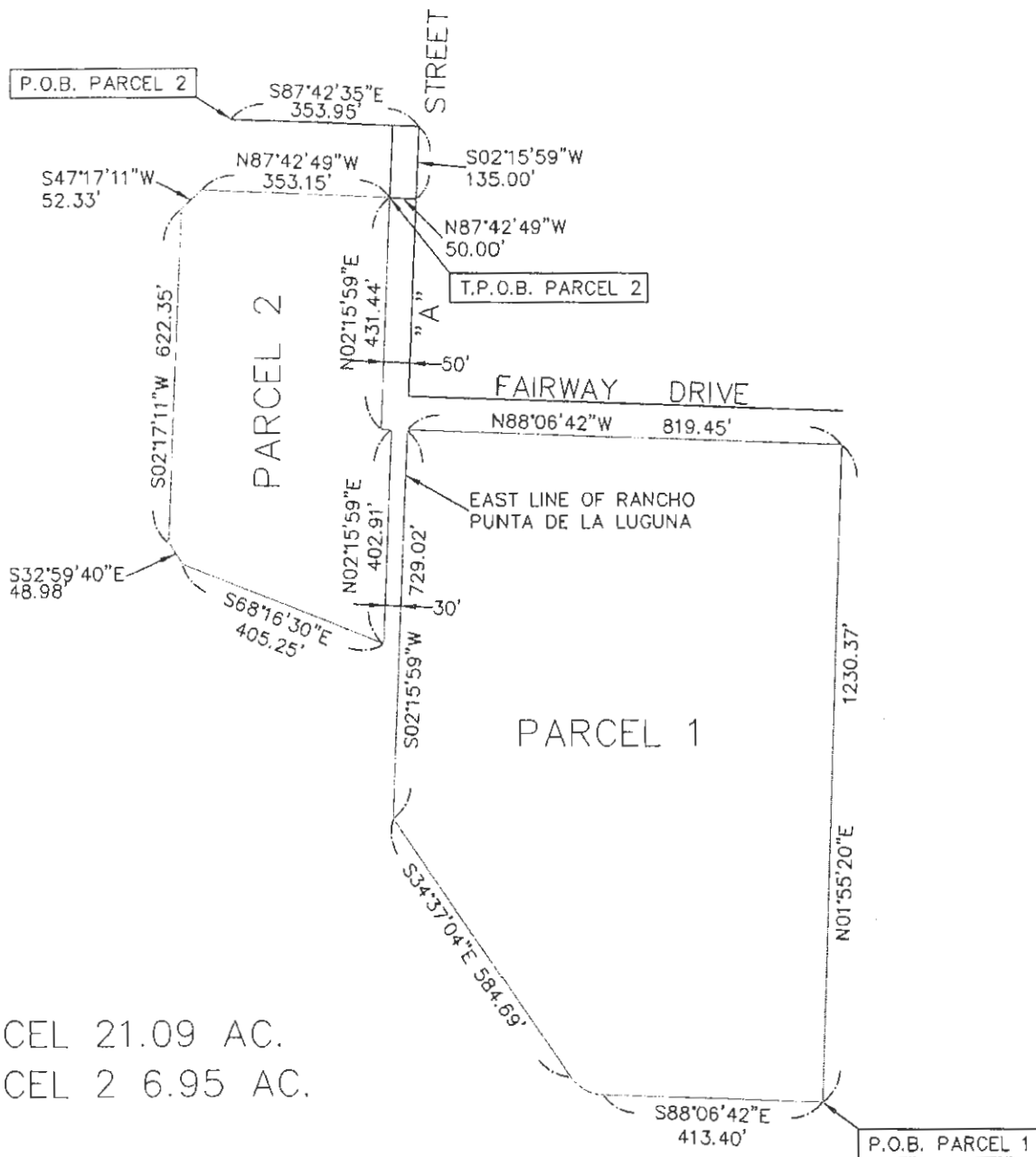
LESSEE:

SCANNELL PROPERTIES #250, LLC,  
an Indiana limited liability company

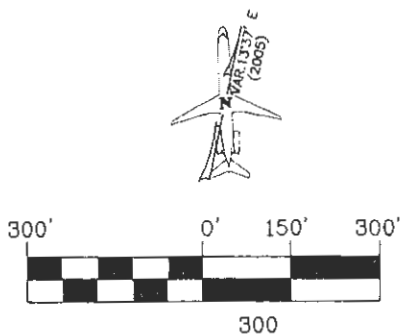
By: \_\_\_\_\_  
James C. Carlino, Manager

**Exhibit “A”**

**Site Plan**



## EXHIBIT "B"



	3217 TERMINAL DR. SANTA MARIA, CA 93455. (805) 922-1726	REVISIONS DATE BY 4/8/15 RH		DRAWN BY: RH	APPROVED: BY: _____ DATE: _____	DRAWING NUMBER
					PROPOSED	

# Exhibit "B"

## LEGAL DESCRIPTION

### PARCEL 1:

A PORTION OF SECTION 28, TOWNSHIP 10 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF PARCEL A OF PIPER AIRPARK PARCEL MAP, TRACT 5281 PER MAP FILED IN BOOK 24, PAGES 4 AND 5 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE NORTH 01 DEGREES 55 MINUTES 20 SECONDS EAST, 1230.37 FEET, ALONG THE WESTERLY LINE OF SAID PARCEL A, TO THE NORTHWESTERLY CORNER THEREOF;

THENCE NORTH 88 DEGREES 06 MINUTES 42 SECONDS WEST, 819.45 FEET, MORE OR LESS, TO THE EASTERLY LINE OF RANCHO PUNTA DE LA LAGUNA AS SHOWN ON MAP FILED IN BOOK 29, PAGE 141 OF RECORD OF SURVEYS, IN THE OFFICE OF SAID COUNTY RECORDER;

THENCE SOUTH 02 DEGREES 15 MINUTES 59 SECONDS WEST, 729.02 FEET, MORE OR LESS, ALONG SAID EASTERLY LINE TO THE NORTHERLY LINE OF THE GRANT OF EASEMENT TO THE SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT PER DEEDS RECORDED AS INSTRUMENT NO. 96-070704 AND 97-017493 OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE SOUTH 34 DEGREES 37 MINUTES 04 SECONDS EAST, 584.69 FEET, MORE OR LESS TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 77.50 FEET;

THENCE EASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 72.35 FEET THROUGH A CENTRAL ANGLE OF 53 DEGREES 29 MINUTES 38 SECONDS;

THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 88 DEGREES 06 MINUTES 42 SECONDS EAST, 413.40 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 21.09 ACRES, MORE OR LESS.

### PARCEL 2:

A PORTION OF LOT 80 OF PADEREWSKI SUBDIVISION NUMBER 1, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 15, PAGES 26 AND 27 OF MAPS AND SURVEYS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 80;

THENCE SOUTH 87 DEGREES 42 MINUTES 35 SECONDS EAST, 353.95 FEET ALONG THE NORTHERLY LINE OF SAID LOT 80 TO THE EASTERLY LINE OF RANCHO PUNTA DE LA LAGUNA AS SHOWN ON MAP FILED IN BOOK 29, PAGE 141 OF RECORD OF SURVEYS, IN THE OFFICE OF SAID COUNTY RECORDER;

THENCE SOUTH 02 DEGREES 15 MINUTES 59 SECONDS WEST, 135.00 FEET ALONG SAID EASTERLY LINE TO THE SOUTHERLY TERMINUS OF COURSE SHOWN AS "1 ST." OF PARCEL 7.1 OF THE GRANT OF EASEMENT TO THE SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT PER DEED RECORDED AS INSTRUMENT NO. 81-36839 OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE NORTH 87 DEGREES 42 MINUTES 49 SECONDS WEST, 50.00 FEET ALONG SAID GRANT OF EASEMENT (CITED AS NORTH 87 DEGREES 41 MINUTES 09 SECONDS WEST IN SAID DEED);

THENCE CONTINUING NORTH 87 DEGREES 42 MINUTES 49 SECONDS WEST, 353.15 FEET;

THENCE SOUTH 47 DEGREES 17 MINUTES 11 SECONDS WEST, 52.33 FEET;

THENCE SOUTH 02 DEGREES 17 MINUTES 11 SECONDS WEST, 622.35 FEET;

THENCE SOUTH 32 DEGREES 59 MINUTES 40 SECONDS EAST, 48.98 FEET;

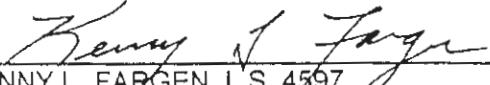
THENCE SOUTH 68 DEGREES 16 MINUTES 30 SECONDS EAST, 405.25 FEET;

THENCE LEAVING SAID GRANT OF EASEMENT, NORTH 02 DEGREES 15 MINUTES 59 SECONDS EAST, 402.91 FEET, PARALLEL AND DISTANT 30 FEET WEST, MEASURED AT RIGHT ANGLES FROM SAID EASTERLY LINE OF RANCHO PUNTA DE LA LAGUNA, TO THE SOUTHERLY LINE OF FAIRWAY DRIVE AS SHOWN ON GRANT OF EASEMENT TO THE CITY OF SANTA MARIA PER DEED RECORDED AS INSTRUMENT NO. 1985-002753 OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE NORTH 88 DEGREES 06 MINUTES 42 SECONDS WEST, 20.00 FEET TO THE WESTERLY LINE OF A STREET AS SHOWN ON SAID GRANT OF EASEMENT;

THENCE NORTH 02 DEGREES 15 MINUTES 59 SECONDS EAST, 431.44 FEET ALONG SAID WESTERLY LINE TO THE TRUE POINT OF BEGINNING, AND CONTAINING 6.95 ACRES, MORE LESS.

(SEE ATTACHED EXHIBIT MAP MADE A PART HEREOF)

 9-30-00  
KENNY L. FARGEN L.S. 4597 DATE  
LICENSE EXPIRATION DATE: 9-30-03





**Exhibit “C”**

**Hazardous Materials**

**Exhibit “D”**

**FAA Rider**

February 21<sup>st</sup> 2018

From: John Bartal

421 Whispering Pines Drive

Santa Maria, 93455

To: Chris Hastert

General Manager

Santa Maria Public Airport District

Subject: Proposed Transfer of Hangar #2987B

Dear Sir:

My apologies for this late request to transfer my rights to Hangar 2987B to your current agenda.

This is a formal request for approval of the transfer of ownership to Ravindra and or Amanthi Chandrasena of 402 Chalfonte Court, Santa Maria, 93454

Thank you

Sincerely



John Bartal

## **ASSIGNMENT OF LEASE**

### **2987-B Airpark Drive**

The Assignment of Lease is made this *8th day of March 2018*, by and between John Barta, an owner, builder, hereinafter called "Tenant" or "Assignor", and **RAVINDRA R. & AMANTHI CHANDRASENA**, Purchaser, hereinafter called "Assignee".

#### **Recitals**

a. Tenant and Santa Maria Public Airport District (hereinafter called "Landlord" or District") made and entered into a written ground lease dated March 1, 2004 for leased premises located at the SANTA MARIA PUBLIC AIRPORT, Santa Maria, California, hereinafter referred to as the "Lease". A true copy of the Lease is marked Exhibit "A", attached and incorporated herein in full by this reference.

b. Tenant is selling and transferring its ownership to the Assignee and hereby requests the District to consent to an Assignment of the Lease.

Now, therefore, the parties agree as follows:

#### **Assignment**

**1. Recitals.** The recitals set forth in this Agreement are true and correct and are incorporated by this reference.

**2. Assignment.** As of the effective date referred to herein, Assignor assigns and transfers to Assignee all right, title, and interest in the Lease.

**3. Effective Date of Assignment.** The Assignment shall be effective on March 9, 2018, provided Tenant/Assignor is not in default under the terms of the Lease.

**4. Assumption of Lease Obligations.** Assignee does hereby accept the foregoing assignment and assumes and agrees to perform, full and be bound by all the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor as Tenant under the Lease, as of the effective date, including timely payment of any and all payments due to the Landlord or payable on behalf of Tenant to Landlord under the Lease as they become due and payable. Assignee acknowledges that all terms and provisions of the Lease continue in full force and effect as to Assignee.

**5. Assignor's Covenants.** Assignor covenants that the copies of the Lease, attached hereto as Exhibit "A" are true and accurate copies of said documents.

**6. Further Assignments.** Assignee shall not further assign or transfer any interest in the Lease and/or Leased Premises except as provided in Paragraph 16 of the Lease.

**7. Litigation Costs and Attorney Fees.** In the event of any action or proceeding brought by either party against the other under or arising out of this Assignment of Lease, the prevailing party shall be entitled to recover all reasonable costs, expenses, expert witness expenses and attorneys' fees in such action or proceeding including costs of appeal, if any. In addition, should it be necessary for the District to employ legal counsel to enforce any of the provisions herein contained, Assignor and Assignee agree to pay all District's attorneys' fees, costs, expenses and expert witness expenses reasonably incurred.

**8. Indemnification.** Assignor indemnifies Assignee from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignor to fulfill Assignor's obligations under the Lease, and accruing with respect to the period on or prior to the date of this Assignment. Assignee indemnifies Assignor from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignee to fulfill

Assignment. Assignor states that no other assignment by Assignor exists in connection with the Lease.

9. Successors and Assigns. The Assignment shall be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

10. Governing Law. This Assignment shall be governed by and construed in accordance with California law and litigation shall be filed and prosecuted in Santa Barbara County, North County Division, State of California

11. Notices. Any notice shall be given as set forth in paragraph 16-A of the Lease to Assignor shall be sent to:

**ASSIGNOR: John Bartal  
4171 Whispering Pines Drive  
Santa Maria, CA 93455**

**Notices to Assignee shall be sent to:**

**ASSIGNOR: Ravindra R. & Amanthi Chandrasena  
402 Chalfonte Ct.  
Santa Maria, CA 93454**

**Dated: \_\_\_\_\_**

**Tenant: \_\_\_\_\_  
JOHN BARTAL**

**Dated: \_\_\_\_\_**

**Assignee: \_\_\_\_\_  
RAVINDRA R. CHANDRASENA**

**Dated: \_\_\_\_\_**

**Assignee: \_\_\_\_\_  
AMANTHI CHANDRASENA**

**12. Consent of Landlord**

The undersigned, as Landlord under the Lease, hereby consents to the foregoing Assignment of Lease dated March 9, 2018 from John Bartal, Assignor, to Ravindra R. & Amanthi Chandrasena, Assignee. Landlord's consent to this assignment shall in no way be deemed a waiver of its rights under Paragraph 16 of the Lease, Assignment, Subletting, and Encumbering, to prohibit assignment in future.

**Dated: March 8, 2018**

Approved as to content for District:

Santa Maria Public Airport District

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Hugh Rafferty, President

Approved as to form for District:

\_\_\_\_\_  
District Counsel

\_\_\_\_\_  
Carl Engel, Secretary

Larry J. Bartal  
P.O. Box 1481  
Arroyo Grande, CA 93421  
Telephone (805) 473-2719

February 23, 2004

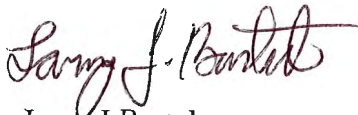
Mr. Gary T. Rice, AAE  
General Manager  
Santa Maria Public Airport District  
3217 Terminal Drive  
Santa Maria, CA 93455-1899

Subject: Lease for New Hangar

Dear Mr. Rice:

We want the lease to be prepared for "John A. Bartal and Larry J. Bartal, Joint Tenants  
With Right of Survivorship."

Sincerely,



Larry J. Bartal

John A. Bartal

RECEIVED  
FEB 23 2004  
SANTA MARIA PUBLIC  
AIRPORT DISTRICT

EXHIBIT "A"

## LEASE AND AGREEMENT

### Owner/Built Hangar Site

As of March 1, 2004, SANTA MARIA PUBLIC AIRPORT DISTRICT, (herein called "District"), and LARRY J. BARTAL & JOHN A. BARTAL, Joint Tenants with right of survivorship, ("Tenant,"), agree as follows:

1. **Leasehold Premises.** District leases to Tenant unimproved land located on the Santa Maria Public Airport known as **Hangar Site 11**, commonly as **2987-B Airpark Drive**, in the City of Santa Maria, County of Santa Barbara, State of California, consisting of **3575 square feet**, and more particularly described on Exhibit "B" attached hereto and incorporated by this reference, subject to all existing and future easements and rights, restrictions, reservations and matters of record (the "Premises").

2. **Term.** The term of this Lease is Forty (40) years commencing on the date first above written and expiring on February 29 2044. This Lease maybe extended for two (2) additional five (5) year terms provided: (1) Tenant is not in default, and (2) Tenant delivers to District, 60 days prior to the end of each term written notice of its intent to exercise its option to extend the lease. The terms and conditions of the Lease will remain unchanged during the extension, except as provided herein.

3. **District Right to Relocate.** District reserves the right to relocate the Premises and Tenant's improvements thereon to a different location on the Airport selected by District, at District's expense at any time during the Initial Term or any Extended Term. District shall have no obligation to pay Tenant for Tenant's time or inconvenience in any such relocation or cost of relocating Tenant's personal property. Tenant shall relocate Tenant's personal property at Tenant's sole cost and expense.

4. **Rent**

a. **Monthly Rent During First Five Years.** Monthly rent for and during the first five (5) years of the term shall be the sum of **\$ 60.78**, calculated by multiplying the number of square feet leased by a factor of \$.017 per square foot per month (based on the Districts Long-term Land Lease Policy and recovery of capital cost over twenty years) ("Base Rent").

Tenant shall pay Base Rent to District in advance on the first calendar day of each month. Rent is payable without prior notice, demand, deduction or offset at District's office at 3217 Terminal Drive, Santa Maria, CA 93455, or at such other address District may direct Tenant in writing. The Base Rent shall be adjusted every five years on the anniversary of the commencement date of the Lease (the "Adjustment Date"). Adjustments, if any, shall be based upon increases, if any, in the Consumer Price Index, All Items, 1982-84 = 100, published by the United States Department of Labor, Bureau of Labor Statistics, for Los Angeles/Riverside/Orange County Area for All Urban Consumers ("Index"). The Index in publication three (3) months immediately before the commencement of the term of this lease shall be the "Base Index." The Index in publication three (3) months immediately before the then Adjustment Date shall be the "Comparison Index." As of each Adjustment Date, the monthly Base Rent payable during the ensuing five (5) year period shall be increased by a percentage

Comparison Index for any Adjustment Date is equal to or less than the Comparison Index for the preceding Adjustment Date (or the Base Index, in the case of First Adjustment Date), the Base Rent for the ensuing five-year period shall remain unchanged. When the Base Rent payable as of each Adjustment Date is determined, District shall promptly give Tenant written notice of such adjusted Base Rent and the manner in which it was computed. The adjusted Base Rent shall become the new "Base Rent" but shall not exceed five percent (5%) CPI increase per year.

b. Late Charge. Tenant acknowledges that late payment of rent by Tenant to District 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.

c. Additional Rent. The rent shall be absolutely net to District. Tenant shall pay all costs, fees, taxes, liens, interest, insurance, charges, expenses, assessments, reimbursements, maintenance and obligations of every kind and nature whatsoever relating to the Premises or the improvements to be constructed thereon that may arise or become due during the term or any extended term of, or arising out of the provisions of, this lease (Additional Rent). Tenant shall indemnify and save District harmless from and against Additional Rent. Should Tenant fail to pay any Additional Rent when due, District shall have all of the rights, powers and remedies provided for in this lease in the event of nonpayment of rent or other event of default. District shall at all times have the right (at its sole election and without any obligation to do so) to advance on behalf of Tenant any amount payable under the terms hereof by Tenant, or to otherwise satisfy any of Tenant's obligations hereunder deemed necessary to protect the interests of District under this lease. No advance by District shall operate as a waiver of any of District's rights under this lease and Tenant shall remain fully responsible for the performance of its obligations under this lease. Any sums so paid by District shall constitute Additional Rent and shall be immediately due and payable from Tenant.

## 5. Construction by Tenant.

a. Obligation To Construct. **THE PREMISES ARE BEING LEASED EXPRESSLY FOR THE DEVELOPMENT, CONSTRUCTION AND OPERATION BY TENANT OF AN AIRCRAFT STORAGE HANGAR FOR THE EXPRESSED PURPOSE OF STORING THE TENANT'S OWN AIRCRAFT.** Tenant leases the Premises with the obligation of constructing the Improvements together with any related or on- or off-site improvements necessitated by the development of the Premises and any subsequent improvements, at Tenant's sole cost and expense. Tenant shall construct all on and off-site improvements required herein, at Tenant's sole cost and expense, in the time and manner set forth herein. Tenant shall obtain any and all governmental approval legally required to improve or alter the Premises. Tenant shall construct the improvements free of claims against District and the Premises in compliance with the requirements set forth in Exhibit "A", entitled "Owner Built Hangar Specifications", attached,



and incorporated by this reference. **TENANT SHALL CONSTRUCT THE IMPROVEMENTS (INCLUDING THE FINISHED FLOOR) AND THE FINISHED GRADE IN ACCORDANCE WITH THE PROJECT GRADING PLAN AND THE INDIVIDUAL SITE PLAN. THE INDIVIDUAL SITE PLAN IS ATTACHED AS EXHIBIT "C" AND INCORPORATED BY THIS REFERENCE.**

b. Schedule of Improvements. Tenant shall begin construction and installation of the Improvements within six (6) months of the lease commencement. Tenant shall complete construction of the Improvements within eighteen (18) months after the lease commencement. This eighteen (18) month period may be increased by any delay due to acts of God or actions of third parties not subject to Tenant's control, not to exceed one additional year. If Tenant fails to timely begin and complete construction, District may terminate this lease after thirty (30) days' notice of its intent to terminate.

c. Indemnity Against Claims. Tenant shall keep the Premises and improvements thereon free and clear of all mechanic's liens and other liens. Tenant shall defend, indemnify and save harmless District and the Premises from and harmless against any and all liability, loss, damage, claims, costs, attorneys' fees and other expenses of any type arising out of work performed on the Premises or in easements and rights-of-way for or by Tenant, or on account of claims for liens of contractors, subcontractors, materialmen, laborers, architects, engineers or other design professionals, for work performed or materials or supplies furnished by Tenant or persons claiming under it. District shall have the right, but not the duty, to pay or otherwise discharge, stay, or prevent the execution of any judgment or lien, or both. Tenant shall reimburse District for all sums paid by District under this paragraph, together with all of District's reasonable attorneys' fees and costs, plus interest on all sums expended at the rate of ten percent (10%) per annum from the date paid by District to the date paid by Tenant.

d. Licensed Contractor. All work on the improvements shall be done by licensed and insured contractors; provided Tenant may act as general contractor for itself as long as licensed and insured subcontractors perform the work. Tenant shall provide proof satisfactory to District that all contractors carry workers' compensation insurance for anyone working on the Premises, and public liability and property damage insurance (\$1,000,000 combined single limit). District shall be an additional insured.

e. Plans and Specifications. Prior to beginning construction, Tenant shall deliver to District a set of plans and specifications of all improvements in sufficient detail to determine compliance with District's requirements for appearance, site development and for approval from various agencies responsible for issuing building permits. District shall have final approval authority and no work on site shall commence until the lease with District has been executed and District has issued a written confirmation of its approval.

f. Notice of Non-Responsibility. At least ten (10) days prior to initiation of any improvement, or delivery of any materials to the Premises, Tenant shall notify District of same in writing. District shall have the right to post and record a Notice of Non-Responsibility in accordance with Civil Code 3094.

g. Parcel or Subdivision Map. District, at its cost and expense, shall prepare a Parcel Map and file same with the City of Santa Maria identifying individual parcels that will be leased to individual tenants.

6. **Tenant's Use of Premises.** The Premises shall be used for the storage, maintenance, and repair of Tenant's aircraft and aircraft equipment and for no other purpose.

a. **Permitted Uses.**

i. Indoor storage of aircraft registered in the Tenant's name. The Tenant must be the owner of the improvements (hangar) on the Premises;

ii. Indoor storage of automobiles while the aircraft is being operated outside the hangar;

iii. Indoor storage of equipment and tools used for preventive maintenance, construction or restoration of the aircraft stored on the Premises;

iv. Maintenance, construction and restoration of an aircraft as described in FAR Part 43, Appendix A, or under the direct supervision of a mechanic properly and appropriately certified by the Federal Aviation Administration; and

v. As long as at least one aircraft stored on the Premises is registered to Tenant, other non-owned aircraft may be stored on the Premises, subject to the provisions of Section 16, Assignment.

b. **Specific Prohibited Uses.** Tenant shall not use or permit use of the Premises, or any portions thereof, for any of the following prohibited purposes or uses:

i. Use any portion of the Premises contrary to or in violation of the directives, rules or regulations of the District as they exist now or in the future.

ii. Store any property outside of the hangar on the Premises.

iii. Store hazardous or toxic materials in quantities greater than ten (10) gallons, except with a safety plan approved by the City of Santa Maria Fire Department and after issuance of appropriate permits.

iv. Any use, activity or improvement which will generate smoke affecting aircraft visibility or attract large concentrations of birds or which may otherwise affect safe air navigation.

v. Any use or activity which would interfere with or create a hazard to the operation of the Airport or aircraft.

vi. Spray painting, except spray painting of aircraft in an approved paint booth.

vii. Any residential use.

viii. Any trade, profession, business or commercial use, enterprise or activity, except approved subleases for aircraft storage.

ix. Storage of jet or aviation or other fuel on the Premises, other than inside fuel tanks of aircraft stored on the Premises or vehicles temporarily parked on the Premises.

x. Place any signs without District's prior written approval.

7. **Nuisance or Unlawful Uses.** Tenant shall not commit waste, including environmental contamination, nuisance or unlawful activity on the premises nor shall Tenant permit others to commit waste, nuisance or unlawful activity on the premises.

8. **Alterations and Improvements.**

a. Tenant shall make no alterations, additions or improvements on the Premises or otherwise at the Airport without District's prior written consent, except interior, non-structural alterations or improvements. District specifically reserves the right to approve the exterior appearance of the improvements throughout the term of the Lease. All alterations, additions or improvements made by Tenant at the Airport shall be Tenant's property during the term of the Lease. Tenant shall remove all fixtures and improvements, including slabs and foundations, and cap all utilities, at Tenant's expense, at expiration or termination of the Lease, unless directed otherwise in writing by District. District may, at District's sole option, elect that the slab and foundation shall remain on the Premises at expiration or termination. The slab and foundation shall thereafter become District's property without any payment to Tenant. Tenant shall restore District's property to at least its former condition as when received and repair any damage resulting from any removal.

b. Should Tenant fail to remove the improvements at the expiration or termination of the Lease, District may, at its option, remove the improvements, at Tenant's expense, or the improvements shall become District's property, without payment to Tenant, free and clear of all liens and encumbrances. Tenant shall indemnify and hold District harmless from and against any liens or encumbrances.

9. **Tenant's First Right to New Lease of Premises.** If, within six (6) months prior to the expiration of the term of this Lease, District elects to enter into a new lease of the Premises for aircraft storage purposes, then District shall first negotiate with Tenant the terms and conditions of a new lease for said Premises before offering the Premises to anyone else.

10. **Holdover.** If Tenant holds over beyond the term or extended term with the consent of District, such tenancy shall be from month to month subject to the terms and conditions of this Lease. Holdover shall not be renewal of this Lease. The monthly Base Rent shall be the monthly Base Rent due immediately prior to the holdover, increased by any increase in the Index defined in Section 4, since the last rent adjustment, unless otherwise agreed in writing by both parties.

11. **Repairs and Maintenance.**

a. Tenant shall, at Tenant's sole cost and expense, keep and maintain the Premises and all improvements thereon in first class condition and repair at all times in accordance with all applicable laws, rules, ordinances, orders and regulations of any governmental agency or body having jurisdiction. Tenant shall keep the Premises, at Tenant's expense, clean and free from litter, garbage, refuse and debris at all times. Tenant shall take reasonable measures to protect the Leased Premises and airport from infestation of birds, insects, rodents and other pests. Tenant shall comply with all reasonable orders and instructions of District's General Manager in the use of the Leased Premises, which the General Manager deems to be in the best interest of the District, the public or users of the Airport, or for their safety and welfare.

b. If Tenant fails to maintain or make repairs as required herein, District shall have the option, but not the obligation, of making necessary corrections after a reasonable written notice from District of its intent to do so. All costs incurred by District in making said corrections, including but not limited to the cost of labor, materials, equipment and administration, shall be Additional Rent, and Tenant shall pay the same within fifteen (15) days of receipt of a statement of District's costs. District may, at its option, choose other remedies available herein as allowed by law.

12. **Tenant Obligations.** Tenant shall:

a. Comply with the rules, regulations and directives of the District related to the use of the Airport and its facilities, including the owner-built hangar sites.

b. Comply with, at Tenant's expense, all laws, regulations, ordinances and orders of federal, state and local governments as they relate to Tenant's use of Tenant's aircraft or Tenant's use or occupation of the Premises, the Airport or Airport facilities.

c. Furnish District with a copy of the registration certificate: (i) for each aircraft to be stored on the Premises prior to commencement of the Lease; (ii) after commencement of the Lease, within ten (10) days of acquiring a different or additional aircraft, or subleasing to a non-owned aircraft; and (iii) immediately after District's written request for such a copy at any other time.

d. Provide annual proof, to District's reasonable satisfaction, that the aircraft registered to the Tenant is in fact stored on the Premises. If an experimental aircraft is being constructed on the Premises, provide annual proof, to District's reasonable satisfaction, of reasonable progress towards completion.

e. When the aircraft is in operation out of the hangar, park all vehicles inside the hangar.

13. **Utilities.** District shall have no responsibility to provide water, utility service or extensions of any kind to the Premises, and any such water, utility service or extension by Tenant shall be at Tenant's sole cost and expense after consent by District as provided in Paragraph 8 herein. District will provide electrical and telephone conduit to each lot. Tenant is responsible to provide wiring. District has a 4-inch sewer lateral available to certain lots (2995a and b, 2997a and b, 2987a, b, c and d, and 2989 a, b, c and d, Airpark Drive). If Tenant is

leasing one of those lots, Tenant may, at Tenant's cost, extend piping and obtain a meter from the City of Santa Maria for water. Tenant shall extend the utilities, as needed, separately meter each utility and pay all utility service charges.

14. **Indemnification.** Tenant shall investigate, protect, defend (with counsel reasonably acceptable to District) indemnify and hold harmless District, its directors, officers, employees, agents and representatives, and the Premises (collectively "District") at all times from and against any and all liability, proceedings, liens, actions, penalties, liabilities, 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 subjected to (collectively "Liability or Loss") arising out of or in any way connected with: the acts or omissions of Tenant or any subtenant, or their officers, agents, employees, or guests (collectively "Tenant"); or Tenant's operations on, or use or occupancy of, the Premises or the Santa Maria Public Airport. The foregoing indemnification excludes only Liability or Loss caused by the sole active negligence of District or its willful misconduct. Tenant shall also indemnify and hold District harmless from and against any Liability or Loss, including third party claims, environmental requirements and environmental damages (as defined in Exhibit "D", Hazardous Material Definitions) costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Premises or the improvements thereon or District's property or improvements in the vicinity of the Leased 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 "D") which occurs in, on or about the Premises as the result of any of Tenant's activities on the Premises. Tenant shall notify District immediately of any Release of any toxic or hazardous material on the Premises or Airport.

15. **Insurance**

a. Tenant shall procure and maintain during the term of this Lease and any extensions, general liability insurance to protect against bodily injury, including death, products, and personal/advertising injury liability; contractual liability; liability for damages through the use of or arising out of accidents occurring on or about the Premises, or arising out of any act of Tenant, or caused by the neglect or misconduct of the Tenant in a minimum amount \$100,000.00 combined single limit for bodily injury and property damage per person and \$250,000.00 per occurrence combined single limit for bodily injury and property damage.

b. The policies shall name District as an additional insured and shall provide that Tenant's insurance will operate as primary insurance and District's insurance will not be called upon to contribute to a loss covered by this paragraph or the indemnification provisions of this Lease. Tenant shall require the insurer to notify District in writing, at least thirty (30) days prior to cancellation, modification or refusal to renew such policy. All policies shall be issued by companies admitted and licensed to do business in California and having a Best's rating of "A". Tenant shall provide District with a current insurance certificate issued by the insurer. The types, coverage, form and liability limits of insurance may be changed or increased by District's Board of Directors after giving Tenant at least ninety (90) days' prior written notice.

16. **Assignment**

a. Tenant shall not assign, transfer, mortgage, encumber or grant control of this Lease or any interest, right or privilege herein, or sublet a portion of the leased premises without the prior written consent of District. District's consent shall not be unreasonably withheld for an assignment or transfer to Tenant's spouse, child(ren), sibling(s) or parent(s). The assignee, transferee, mortgagor, or other person acquiring an interest in the Lease shall agree in writing to be bound by all terms and conditions of the Lease. A sublease of the entire Premises is expressly prohibited and void and, at the option of District, shall terminate the Lease. The Premises must be occupied by the person who owns the improvements (hangar) and owns an aircraft stored on the Premises. Tenant's interest in this Lease is not assignable by operation of law. To prevent speculation in the construction and resale of hangars, if Tenant wishes to assign, transfer, sell or grant control of this Lease and/or the improvements thereon, and District approves, the approval will be conditioned on Tenant paying to District a transfer fee equal to the following:

- i. During the first year after occupancy, the sum of \$15,000;
- ii. During the second year after occupancy, the sum of \$10,000;
- iii. During the third through fifth years of occupancy, the sum of \$5,000;

provided, no transfer fee shall be required if Tenant assigns or transfers the Lease to Tenant's spouse, child(ren), sibling(s) or parent(s).

b. Subject to the District's General Manager's prior written consent, Tenant may sublet a portion, but not all, of the Premises for storage of aircraft owned by another. District's General Manager's consent may be conditioned on:

i. Ongoing proof that at least one (1) aircraft stored in the hangar is owned by and registered to Tenant.

ii. Each subtenant has a written sublease incorporating the terms and conditions of this Lease.

iii. Ongoing proof that at least one (1) aircraft stored in the hangar is owned by and registered to subtenant.

iv. Tenant shall notify District in writing within ten (10) days of any storage of non-owned aircraft with such identifying information as District requests, together with the written sublease for District consent.

v. Tenant shall pay any sublease rent to District which is in excess of the sublessee's pro rata share, based on per square foot occupancy, of: the rent charged under this Lease, utilities, taxes, insurance, maintenance and Cost of the Improvements (amortized at eight percent (8%) over twenty (20) years). The "Cost of Improvements" is defined as the amount paid by Tenant for constructing the slab, foundation, utility extensions, hangar and other improvements made by Tenant to the Premises, including engineering and design fees, prior to occupancy by Tenant.

vi. No District owned hangars are available for lease in the near future.

17. **Taxes, Licenses and Permits.** Tenant shall pay before delinquency any and all taxes, (including real property and possessory interest taxes, assessments, fees or charges) which may be imposed, levied or assessed upon any leasehold or possessory interests of Tenant, or Tenant's occupancy of the Premises, and personal property, structures, improvements or fixtures owned, controlled or installed by Tenant. Tenant acknowledges that by entering into this lease, a possessory interest, subject to taxation, may be created. Tenant agrees to 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 operations.

18. **District's Remedies on Tenant's Breach.** In the event Tenant fails to pay rent when due, abandons or vacates the Premises, 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, as well as the following cumulatively or in the alternative remedies:

a. District may recover from Tenant on terminating the Lease damages proximately resulting from the breach, including the cost of recovering the premises and the value of the premises for the remainder of the Lease term, less any rent received by District from subleases or reletting of the Premises, which sum shall be immediately due District from Tenant.

b. Tenant assigns to District all subrents and other sums falling due from subtenants, up to the amounts due District under this Lease during any period in which Tenant is in default. District may, at District's election, re-enter the Premises and improvements with or without process of law, with or without terminating this Lease, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors, or both.

19. **Nondiscrimination.** Tenant will not discriminate or permit discriminations against any person or class of persons by reason of race, color, creed, sex or national origin in any such manner prohibited by Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, or as the regulation may be amended from time to time.

20. **Right of Entry.** District and City of Santa Maria and authorized agents of each shall have the right to enter the Premises for any reasonable purpose upon twenty-four (24) hours' oral or written notice, and at any time without notice in case of any emergency.

21. **Miscellaneous**

a. Notices shall be written and delivered personally to the person to whom the notice is to be given or mailed postage prepaid, addressed to such person. District's and Tenant's addresses for this purpose are:

District: Santa Maria Public Airport District  
3217 Terminal Drive



Santa Maria, CA 93455

Tenant: Name JOHN A BARTAL / LARRY J. BARTAL  
Address 4171 WHISPERING PINES DR. / 2365 PAR VIEW LANE  
City, State & Zip Code SANTA MARIA CA. 93455 / ARROYO GRANITE CA 93420  
Phone 805-934-3355 / 805-473-2719

Either party may change its address for such notice by giving written notice of such change to the other party. Notice shall be deemed delivered at time of personal delivery or 48 hours after deposit in any United States Post Office or mailbox.

b. District's waiver of breach of one term, covenant or condition of this Lease is not a waiver of breach of others nor of subsequent breach of the one waived. District's acceptance of rent installments after breach is not a waiver of the breach. Any waiver by District must be in writing and signed by District.

c. This Lease and its terms, covenants and conditions apply to and are binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties hereto.

d. Time is of the essence herein.

e. The prevailing party shall recover from the non-prevailing party reasonable attorney's fees and costs in the event any legal action or proceeding between District and Tenant arises in connection with this Lease.

f. No prior and contemporaneous conversations, negotiations, possible and alleged agreements concerning the subject matter hereof, other than those referred to herein, are merged herein. This is an integrated agreement. Any modification of this Lease must be agreed upon in writing by every Party to this Lease.

g. If any provision of this Lease is determined to be invalid or unenforceable, the remaining provisions shall continue to operate to the extent possible.

h. This Lease shall be construed in accordance with the laws of the State of California.

i. This Lease is deemed to have been drafted by the Tenant and District.

j. The parties executing this Lease represent they have appropriate authority.

k. Unless stated otherwise herein, no real estate brokers have been involved in this Lease and no real estate broker commissions or fees are due or owed from District.

l. In any real estate transaction it is recommended that you consult with a professional.



22. **Federal Aviation Administration Rider Attached.** The provisions of the FAA Rider attached hereto as Exhibit "E", consisting of four pages, are incorporated herein and made a part hereof.

23. **FAA Approval.** This Lease is made subject to any approval of the Federal Aviation Administration which may be required.

24. **Surrender and Site Assessment.** Tenant shall, on expiration or sooner termination, surrender to District the Premises in the same or better condition as when received, normal wear and tear, damage by acts of God or by the elements excepted.

At District's option, exercised by written notice to Tenant, within thirty (30) days of expiration or sooner termination of this Lease, Tenant shall, at Tenant's sole cost and expense, cause to be conducted a site assessment of the Premises to confirm that the Premises are free of any hazardous material or contamination. The nature and extent of the site assessment and the selection of the person performing the site assessment and certification shall be approved by District. The Premises shall be certified to be free of any hazardous material or contamination by a person certified by the appropriate governmental agency to conduct such site assessments. Any contamination or environmental damage on the Premises or originating on the Premises and migrating off the Premises shall be remediated by Tenant to meet or exceed the strictest governmental standards or requirements and to District's reasonable satisfaction. Tenant shall be responsible for all remedial investigation and remediation, including submission and approval of the remediation closure plan.

25. **Damage or Destruction.** In the event the improvements are damaged or destroyed, Tenant may, at its option, either (1) continue paying rent and restore the improvements to their former condition and appearance, within a reasonable period of time, not to exceed one hundred eighty (180) days from the date of damage or destruction; or (2) terminate the Lease by thirty (30) days' written notice to District, remove the remaining improvements, and restore the Premises to their same or better condition as when received.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused it to be executed as of the day, month and year first above written.

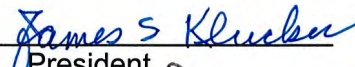
Dated: February 26, 2004


APPROVED AS TO CONTENT:

  
General Manager

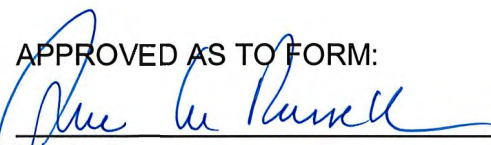
DISTRICT:

SANTA MARIA PUBLIC AIRPORT DISTRICT



By:   
President

By:   
Secretary

APPROVED AS TO FORM:

  
District Counsel

TENANT:

  
LARRY J. BARTA  
  
JOHN A. BARTA

t:\smpad\OwnerBuild  
2-4-04

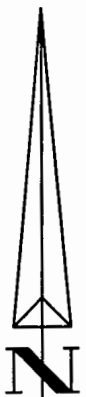
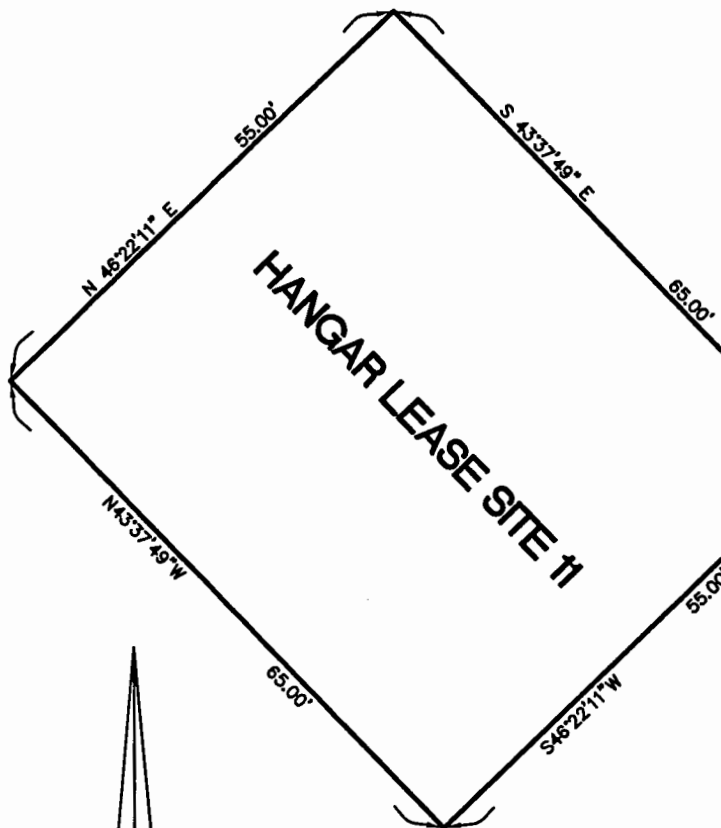
## **EXHIBIT "B"**

### **LEASE DESCRIPTION FOR HANGAR SITE 11**

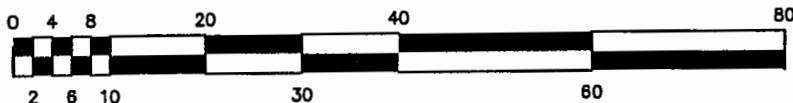
THAT PORTION OF THE WESTERLY HALF OF SECTION 34, TOWNSHIP 10 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 4 OF "SKYWAY WEST I TRACT 5280" RECORDED AS MAP BOOK 98, PAGES 85 AND 86, RECORDS OF THE COUNTY OF SANTA BARBARA, IN THE CITY OF SANTA MARIA, STATE OF CALIFORNIA; THENCE SOUTH  $1^{\circ} 55' 20''$  WEST 1137.41 FEET ALONG THE SOUTHERLY PROLONGATION OF THE WESTERLY BOUNDARY OF SAID LOT 4 TO A POINT; THENCE NORTH  $88^{\circ} 04' 40''$  WEST 512.93 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH  $46^{\circ} 22' 11''$  WEST 55.00 FEET; THENCE NORTH  $43^{\circ} 37' 49''$  WEST 65.00 FEET; THENCE NORTH  $46^{\circ} 22' 11''$  EAST 55.00 FEET; THENCE SOUTH  $43^{\circ} 37' 49''$  EAST 65.00 FEET TO THE **TRUE POINT OF BEGINNING**.

0313 HANGAR SITE 11 - 2/19/04 4:43 PM



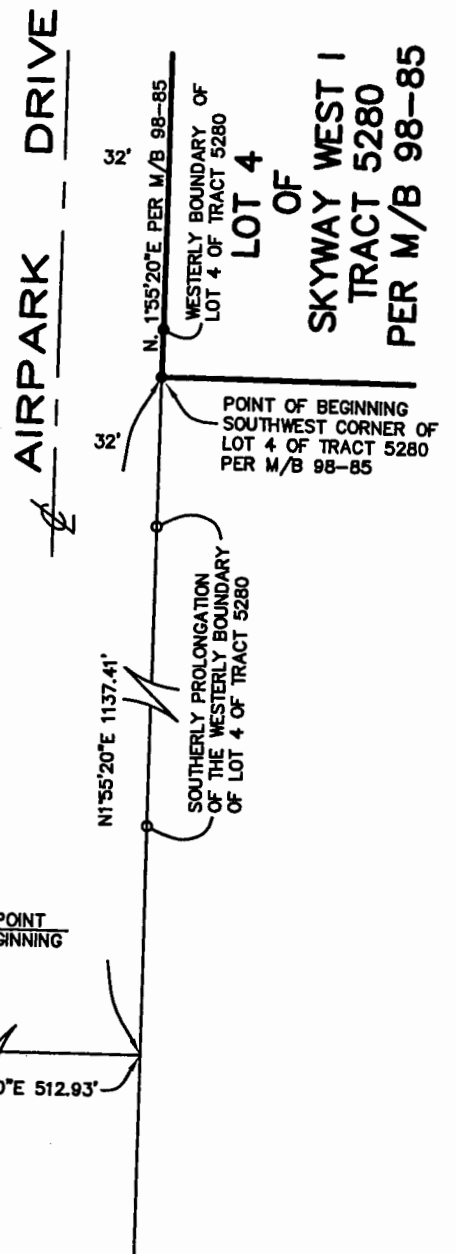
SCALE: 1"=20'



# SKETCH OF HANGAR LEASE SITE 11 2987-B AIRPARK DRIVE

BEING A PORTION OF THE WESTERLY HALF  
OF SECTION 34, TOWNSHIP 10 NORTH, RANGE 34  
WEST, SAN BERNARDINO MERIDIAN, IN THE CITY  
OF SANTA MARIA, COUNTY OF SANTA BARBARA,  
STATE OF CALIFORNIA

## EXHIBIT "B"



PREPARED BY:



## Owner build Hangar Specs

Hangar Type: Steel Pre-fabricated Rectangular Hangar building

Maximum hangar size to fit: Plot A (45 feet x 50 feet)-40 feet x 45 feet hangar  
Plot B (55 feet x 65 feet)-50 feet x 60 feet hangar

Structure must be 2.5 feet from property line

	60'x50' Hangar	45'x40'
Eave Height	18'	14'
Hangar Skin Gauge	26 GAUGE	26GAUGE
Doors (see below)	See below	See below

Door options: Door cannot intrude on adjoining property

Bi-fold  
Stacking  
Roll inside hangar  
Roll up

Skylights: Interior natural lighting to be provided by wall or door panels only. Minimum standard for skylight material is 8 ounces per square foot.

Roof: Low profile ridge line perpendicular to taxilane  
Slope 1"rise for each 12 inches of horizontal run  
Panels shall overlay outside walls a minimum of 4"  
Roof to slope to side of hangar  
Gutters installed along side edges, downspouts at front corners (gutters and downspouts comprised of same material and same paint color)

### PREFABRICATED METAL BUILDINGS

- a. Prefabricated metal building types, conforming to the drawings with indicated dimensions and specified requirements.
- b. Preliminary requirements to the work as follows.
  1. Design calculations, record drawings, shop and erection drawings.
  2. Obtaining building permits (fees paid by Owner builder).
  3. Field measurements and verification of existing field conditions prior to any building work.
  4. Coordination and cooperation with work of other trades.
- c. Prefabricated metal building assembly and field erection of components complete and inclusive with listings as follows.
  1. Structural steel and miscellaneous metal, including anchor bolts and other anchorage embedded in concrete.
  2. Light gauge steel members, roofing and siding.
  3. Cold formed members.
  4. Hangar doors, hardware and locking hasp and staple.
  5. Confirm location of anchors and embedded items.
  6. Flashing and trim members.

7. Gutters and downspouts.
8. Factory finish on galvanized metal surfaces.
9. Factory panel painting.
10. All accessories, closures and hardware required for a complete installation.
11. Closures, caulking, sealants and waterproofing as required for a complete weathertight installation.
12. Twenty (20) year bonded guarantee on roof and wall panel finish.

## QUALITY ASSURANCE

- a. Fabricator/erector qualifications: Firm with successful experience in design, engineering, construction and erection of buildings similar to those erected around Santa Maria Public Airport.
- b. Design Criteria: Design and engineer buildings to comply with Codes applicable at the building site. Obtain building permits for work of this Section before starting fabrication. Building shall be in accord with MBMA and AISC standards.

## REFERENCE SPECIFICATIONS AND STANDARDS

- a. Provide work conforming to latest edition of the City of Santa Maria Building Code, and comply with pertinent recommendations of the manufacturer of the approved Prefabricated Metal Buildings Systems.
- b. American Society for Testing and Materials (ASTM) as referenced herein.

## SUBMITTALS

- a. Shop and erection drawings. Contractor shall submit shop and erection drawings to the City of Santa Maria Building Department for the purpose of the Contractor obtaining approval of building permit and for checking by the District Engineer.
- b. Shop and erection drawings required for building permit purposes shall be identified by the Contractor as shop and erection drawings. Contractor shall submit shop and erection drawings as well as such other drawings as may be required by the Building Department of the City of Santa Maria, Community Development Department, for issuance of building permit. Drawings shall include but will not necessarily be limited to the following:
  1. Foundation plans showing construction joints; foundation details; allowable soil pressure; loads; anchor bolts; etc.
  2. Plans and details for grade beams and concrete flooring.
  3. Framing plan showing typical sections and connection detail, eave condition, diagonal bracing, purlin, beam, and column layout.
  4. Floor plan showing interior partitions, operation of sliding hangar doors (in open and closed position) and other pertinent information.
  5. Exterior elevations and floor elevations.
  6. Roof framing and bracing plan.
  7. Electrical plan.
  8. Miscellaneous details such as: Hangar door construction, including locking devices, cane bolts, door stops and other accessories. Hangar door restraint in all

positions. Spacing details of continuous members. Typical high rib wall and roof panels. Roof and wall panel fasteners. Typical purlin details and connections. Ridge and rake details. Exterior and interior base details.

9. Engineering calculations: The Contractor shall furnish to the City Building Official three (3) copies of complete engineering calculations signed by a Structural Engineer or Civil Engineer registered in the State of California. The calculation shall accompany the drawings described above, as applicable. Shop and erection drawings shall bear the signature of a California registered Civil or Structural Engineer.

10. Revisions: Any and all revisions to the drawings required by District and by the City Building Official to obtain building permits shall be performed at no additional cost to the District.

## FIELD MEASUREMENTS

Before starting work, secure field measurements pertaining to or affecting the work of this section, and verify the locations and exact positions of anchor bolts.

## DESIGN LOADS

Except as stipulated otherwise, the design loads for each Prefabricated Metal Building shall be in accordance with City of Santa Maria Building Codes, latest edition. Building shall withstand wind loads with doors opened or closed.

## Materials

**Flange material for built up sections** - minimum yield stress of 50,000 psi

**Web material for built up sections** - minimum yield stress of 36,000 psi

**Cold-formed structural members** - steel having a minimum yield stress of 50,000 psi

**High tensile bolts** - electrogalvanize plated followed by supplementary gold di-chromate treatment applied by the dip process

**Machine bolts** – same as above

**Galvanized steel** - zinc coating shall be 1.25 ounces per square foot

**Diagonal brace rods** – steel, galvanized 7 wire strand extra high strength grade with a minimum guaranteed proof load.

**Exterior wall and roof covering** - prime, hot dip, galvanized steel not less than 26 gauge.

**Zinc coating** - 1.25 ounces per square foot

**Panel high ribs** - not less than 1¼" minimum depth

(Top and bottom of panel must be filled with foam closer strips.)

## Fasteners

- a. Roof fasteners - Stainless Steel No. 14 X 3/4" long self-tapping bolts *or* Stainless Steel No. 12 self-drilling bolts. A sealing washer of 1/8" thick neoprene appropriate diameter shall be provided at each bolt.
- b. Roof Lap. Roof lap fasteners - No. 10 X 1/2" long self-tapping bolt
- c. The No. 10 bolt shall be stainless steel and shall be furnished with a 5/16" hexagonal head. Washer shall be integral with the head and shall be 1/2" diameter. Bolt shall have a type "A" point. The fastener shall be installed at one-third points between purlins.
- d. Wall fasteners for color walls. Wall panel fasteners for color walls shall be No. 14 X 3/4" self-tapping bolts or No. 12 self-drilling bolts, with a tough thermo-plastic nylon resin 7/16" or greater hexagonal head, colored to match the panel color. The nylon head shall have a flared flange to act as self-sealing washer, a tapered outer edge, and a molded inner ring on a recessed undersurface to provide a double seal. The No. 14 X 3/4" bolt shall have a Type "A" point and shall be manufactured from material meeting AISI No. C-1018. The bolt shall be plated with .0005" thickness zinc coating, and a chromate finish. The fastener shall be installed in the flat of the panel at 1'-0" spacing at intermediate points. Panel ends to be bolted at 6" nominal spacing.
- e. Wall fastener for galvanized partitions shall be a No. 14 X 3/4" self-tapping bolt or No. 12 self-drilling bolts. The bolts shall be cadmium plated and shall be furnished with a 3/8" or larger hexagonal head. The washer shall be separate and shall be 5/8" or larger diameter. The bolt shall have a Type "A" point. The bolt shall be manufactured of material meeting AISI No. C-1018. The bolt shall be plate with zinc plating of .00075" thickness and coated with clear chromate dip. The fastener shall be installed in the flat of the panel at 1'-0" intermediate spacing, and at 6" spacing (nominal) at panel ends.
- f. Wall panel lap fasteners shall be 1/8" diameter blind rivets colored to match the panel color. The fastener shall be installed at one-third points between girts. Blind rivets *shall be stainless steel*.

#### Mastic:

- a. Standard mastic shall be preformed bead type meeting or exceeding Military Specification MIL-C-18969, Type 2 Grade B.
- b. At roof side laps, a permanently pliable three thirty seconds by one half inch preformed bead of mastic shall be placed on the under lapping rib in a bead of constant cross section to insure continuous contact of the mastic with the upper and lower panels.

#### Base Angle:

- a. Base angle for exterior perimeter of building shall be a roll formed section, shaped such that panel fasteners at base are not exposed to the interior of building.
- b. Base angle shall be 18 gage material prepainted

Conforming ridge caps, which are required, per standard of manufacturer, shall be not less than 26 gauge, hot dip galvanized steel with not less than 1.25 ounces of zinc per square foot of surface. Ridge cap shall have factory painting to match roof panels. **Conforming three foot ridge caps which match the panel configuration and the roof pitch are required.**

Concrete Foundations and Slab Floors.

a. Concrete Foundations

P.C. concrete with 15% flyash replacement by weight of cement of type I.P. & P. Permanente Portland-Pozzolan cement meeting ASTM C595 with 15% by weight or Port Costa 1/4" X 8 mesh light weight aggregate as produced by Kaiser Sand and Gravel Co., Santa Maria plant and minimum 28 day strength of 3000 psi shall be used. Provide mix design by state certified laboratory for approval 5 days prior to beginning any concrete work. Install in accord with approved foundation plan. Slump shall not exceed 3" for foundations.

b. P.C. Concrete Floor Slabs

1. P.C. concrete with 15% flyash replacement by weight of cement of type I.P. & P. Permanente Portland-Pozzolan cement meeting ASTM C595 with 15% by weight or Port Costa 1/4" X 8 mesh light weight aggregate as produced by Kaiser Sand and Gravel Co., Santa Maria plant and minimum 28 day strength of 3000 psi shall be used. Provide mix design by state certified laboratory 5 days prior to any desired use for review and approval. Slump shall not exceed 4".

Contraction Joints

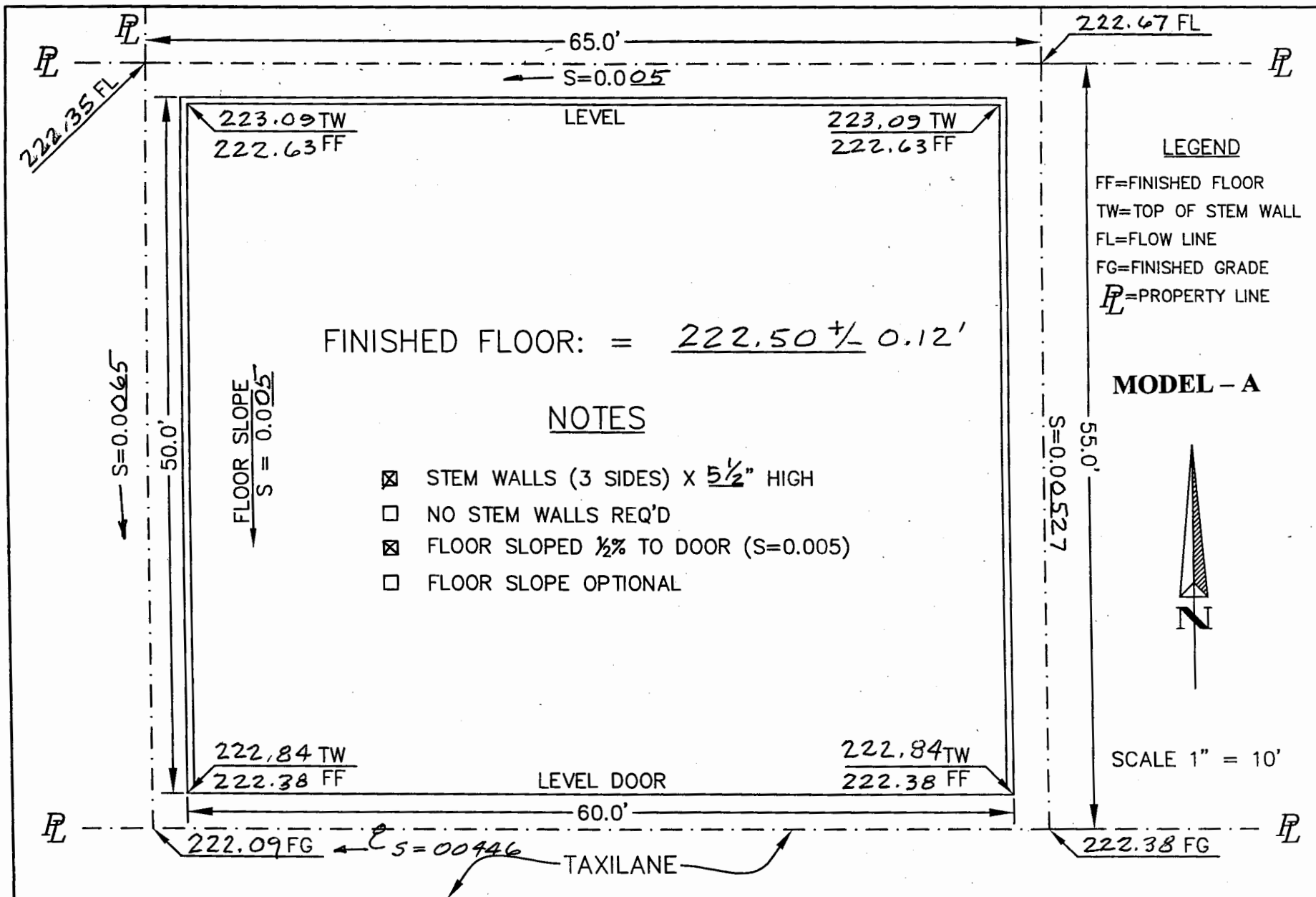
Determined by size of slab using ratio of 2.5 times thickness of slab measured in feet.

Lease Site:

Entire site must be covered with impermeable material. If site is not fully paved, suitable material must be approved by General Manager.

All drainage must flow to taxilane in front of hangar.





**SANTA MARIA PUBLIC AIRPORT DISTRICT**  
 3217 TERMINAL DRIVE SANTA MARIA, CA 93455

LOT #  
 11

ADDRESS:  
 2987-B

EXHIBIT  
 C

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

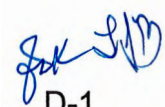
(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

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

(viii) without limitation radon gas.

ck

EXHIBIT "D"

  
D-1

## 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.

D-3  
CE

## EXHIBIT "E"

### RIDER

Rider to the Owner/Built Hangar Site Lease and Agreement dated February 26, 2004, and commencing March 1, 2004 herein called "Lease & Agreement") between Santa Maria Public Airport District (herein called "District") and Larry J. Bartal & John A. Bartal, Joint Tenants with right of survivorship, (herein called "Tenant").

### 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.

E-2    
 CE



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.

E-3   
JE

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.



## FIRST AMENDMENT OF LEASE AND AGREEMENT

Re: Lease and Agreement dated March 1, 2004, between SANTA MARIA PUBLIC AIRPORT DISTRICT and Larry and John Bartal for a Hangar Site 11, located at 2987-B Airpark Drive, at the Santa Maria Public Airport for a term expiring February 29, 2044, plus options (the "Lease").

The undersigned, SANTA MARIA AIRPORT DISTRICT ("District") and Larry and John Bartal ("Tenant") do hereby agree to amend the Lease, effective December 8, 2005, as follows:

1. Paragraph 13, Utilities, is amended to add the following immediately after the first paragraph, to read as follows:

"13. Utilities. (First paragraph remains as stated in Lease). Then add:

" Notwithstanding the immediately preceding paragraph, Tenant wished to avoid the cost of a separate water meter. Tenant therefore requested District to increase the size of District's water meter for the hangar area restroom and wash rack from a ¾-inch to a 1-inch meter to provide the water requested by Tenant and other hangar tenants. The larger meter cost District \$7,350.00 more than the smaller meter.

"Tenant shall pay his/her pro rata share of District's costs of enlarging the meter, less any deposit received from Tenant. Tenant's pro rata share will depend on the number of tenants requesting and paying for water at this time. Payment must be received prior to submission of this executed amendment to District.

"In addition, as long as the Premises are connected to District's pipeline, Tenant shall also pay its pro rata share of District's costs of providing water to the hangars, as additional rent, on or before the first calendar day of each month during the term, or extended term, regardless of whether Tenant has occupied his/her hangar or used any water during the billing cycle. The amount for each hangar tenant will be the same. Initially, Tenant's rent shall be increased by Fifteen Dollars (\$15) per month, effective the day Tenant connects to the District's pipeline. Tenant's share of the water and sewer bill will include payment for water used by the public at the wash rack at the terminus of the pipeline beyond the hangars. District has installed a sub-meter at the hangar area restroom. District will read the submeter and pay for water for hangar area public restrooms.

"District will periodically review its costs of providing water, including, but not limited to, staff time in reading the submeter at the hangar area restrooms, and dealing with water related issues. At that time, District may set a new monthly water charge and increase Tenant's rent accordingly, after thirty (30) days' written notice. Tenant may terminate water service at any time after thirty (30) days' written notice to District.

In the event Tenant elects to terminate water service Tenant's rent shall be reduced by the water component of the rent and other tenants' rent may be increased. Tenant shall forfeit any payments made under this Amendment, and shall not be entitled to any refund from District.

"Tenant shall obtain all appropriate permits from the City of Santa Maria to connect its hangar to District's pipeline. All connections shall comply with the City approved plan previously supplied to Tenant. In addition, it shall also include a "lockable valve" at a location specified by District. Only California licensed, bonded and insured plumbers may perform the connection work. Tenant shall maintain the plumbing from District's pipeline to the Premises. Tenant shall indemnify, defend and hold harmless District, its officers, employees, directors, agents and representatives from and against any and all liability, loss, liens, claims or demands, arising from or related to Tenant's plumbing installation on District's property or Tenant's use of water on the Premises.

"Tenant acknowledges that District's pipeline carries City of Santa Maria water. Tenant releases District from all liability to Tenant for water availability, quality, quantity or pressure.

"In the event additional tenants request a connection to District's pipeline, District may, at its sole discretion, permit or not permit the connection (at a price set by District). District shall retain any money received for future connections.

"District reserves the right at any time after January 1, 2008 to disconnect all hangar tenants' plumbing from District's pipeline, at District's cost, if District determines, in the exercise of District's reasonable discretion, that the administration of a single meter system is not cost effective, is too burdensome, or results in the expenditure of too much staff time. In such event, if District is able to reduce the size of its meter and obtain a refund from the City of Santa Maria, District shall distribute to Tenant, Tenant's pro rata share of any such refund, to the extent of Tenant's payment.

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

Date: December 8, 2005

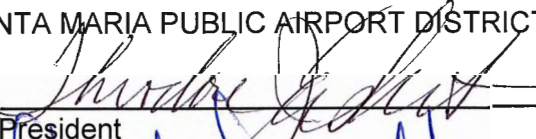
APPROVED AS TO CONTENT FOR  
DISTRICT:


  
General Manager

APPROVED AS TO FORM FOR:  
DISTRICT:

LANDLORD:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By:   
President

By:   
Secretary

Alice LaRocca  
District Counsel

Date: Dec. 1, 2005

F:Admin Secy/Owner Build/HangarLeaseAmend 1

TENANT:

Larry Bartal  
LARRY BARTAL  
John Bartal  
JOHN BARTAL  
j

# LAFCO

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## Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

February 8, 2018

TO: Presiding Officers of Independent Special Districts

Subject: Special District Appointment(s) to Santa Barbara LAFCO and the Countywide  
RDA Oversight Board

### NOTICE OF A MEETING OF THE SANTA BARBARA COUNTY INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

**THIS NOTICE WILL CALL AND GIVE NOTICE** that the Santa Barbara County Independent Special District Selection Committee will meet on **Monday, March 26, 2018 at 5:00 p.m.** The meeting will be held at the Santa Ynez Valley Marriot, 555 McMurray Road in Buellton, California.

**Purpose:** The purpose of this meeting is to (a) Select a Regular Special District Member of the Commission for a term of office from March 1, 2018 to March 1, 2022. This position is currently vacant, (b). Select an Alternate Special District member if the current Alternate member is elected as the regular Special District member. This position is currently held by Judith Ishkanian, a Director on the Montecito Sanitary District, whose term also expires on March 1, 2020, and (c). Pursuant to Health and Safety Code Section 34179(j)(3), select an Independent Special District Director to serve on the Countywide Redevelopment Agency (RDA) Oversight Board.

**Call for Nominations:** Nominations for the Regular Special District member(s) and the (RDA) Oversight Board should be submitted to the LAFCO Executive Officer, at the above address, **no later than March 16, 2018.** Nominations may be received by mail or offered from the floor at the meeting. A nomination form is attached to this notice.

**Who Can Serve:** Any elected member of an independent special district can serve on LAFCO, two regular and one alternate member. For appointment to the RDA Oversight Board, based on Health and Safety Code Section 34179(j)(3), the committee should appoint a representative from a special district that receives property tax residual from the Redevelopment Property Tax Trust Fund (RPTTF). These special districts are:

Santa Maria Public Airport District  
Goleta Cemetery District  
Guadalupe Cemetery District  
Lompoc Cemetery District  
Oak Hill Cemetery District

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**Commissioners:** Roger Welt, Chair ♦ Roger Aceves ♦ Craig Geyer ♦ Steve Lavagnino ♦ Jim Richardson ♦ Janet Wolf  
♦ Joan Hartmann ♦ Judith Ishkanian ♦ Shane Stark ♦ Etta Waterfield ♦ **Executive Officer:** Paul Hood

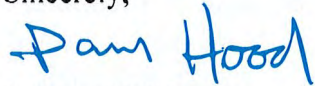
Local Agency Formation Commission  
February 8, 2018  
Page two

Santa Maria Cemetery District  
Santa Barbara County Metropolitan Transit District  
Mosquito and Vector Management District of Santa Barbara County  
Isla Vista Recreation and Park District  
Cachuma Resource Conservation District  
Goleta Sanitary District  
Goleta West Sanitary District  
Santa Maria Valley Water Conservation District  
Santa Ynez River Water Conservation District

**Who Can Vote:** The Presiding Officer each Independent Special District is authorized to vote for the Special District members on LAFCO. However, if the presiding officer is unable to attend the meeting, the legislative body of the district may appoint one of its members to attend the meeting of the selection committee in the presiding officer's place. There is one vote per district. Members representing a majority of the eligible district shall constitute a quorum, which is necessary for the selection committee to conduct its business.

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD  
Executive Officer

**SANTA BARBARA  
LOCAL AGENCY FORMATION COMMISSION**

**NOMINATION FOR  
SPECIAL DISTRICT MEMBER**

*Return to:* Executive Officer  
Santa Barbara LAFCO  
105 East Anapamu Street, Room 407  
Santa Barbara CA 93101  
Or FAX to 568-2249

LAFCO STAFF USE

Date Received: \_\_\_\_\_

Please print in ink or type

POSITION SOUGHT:

Special District Member

Alternate Special District Member

NAME OF NOMINEE:

NAME OF DISTRICT:

MAILING ADDRESS:

TELEPHONE:

Home: \_\_\_\_\_

Bus: \_\_\_\_\_

Cell: \_\_\_\_\_

Fax: \_\_\_\_\_

ADDITIONAL INFORMATION: On this form or an accompanying letter, describe the nominee's personal interests, qualifications, experience, education, volunteer activities or community organization memberships that may bear on the nomination for Special District Member: This information will be distributed to all independent special districts.

SIGNATURE OF NOMINATOR/NAME OF SPECIAL DISTRICT:

**SANTA BARBARA  
LOCAL AGENCY FORMATION COMMISSION**

<b>NOMINATION FOR COUNTYWIDE REDEVELOPMENT AGENCY (RDA) OVERSIGHT BOARD</b>  <i>Return to:</i> Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 Or FAX to 568-2249	LAFCO STAFF USE  Date Received: _____
Please print in ink or type	
POSITION SOUGHT:                      Countywide RDA Oversight Board-Special District Appointment	
NAME OF NOMINEE:  _____  _____	NAME OF DISTRICT:  _____  _____
MAILING ADDRESS:  _____  _____	TELEPHONE: Home: _____ Bus: _____ Cell: _____ Fax: _____
ADDITIONAL INFORMATION: On this form <u>or</u> an accompanying letter, describe the nominee's personal interests, qualifications, experience, education, volunteer activities or community organization memberships that may bear on the nomination for Special District Member: This information will be distributed to all independent special districts.	
SIGNATURE OF NOMINATOR/SPECIAL DISTRICT:	



TELEPHONE (805)922-1726

FAX (805)922-0677

www.SantaMariaAirport.com

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## PUBLIC AIRPORT DISTRICT

Agenda Item 11 3-8-18
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March 8, 2018

Board of Directors  
Santa Maria Public Airport District  
3217 Terminal Drive  
Santa Maria, CA 93455

**Subject:** 2018 Fence Repair Project

**Discussion**

The Santa Maria Public Airport District has received four bids following our solicitation for a project to repair the fence along the taxiway J crossing of the flood control ditch. Please see the attached letter from the project engineer for bid specifics including the engineer's estimate.

**Fiscal Impact**

The lowest bid for this project was received from The J.F. Will Co, Inc in the amount of \$71,134. The approved budget for this project is \$60,000, resulting in a budget shortfall of \$11,134.

**Recommendation**

Staff recommends that the Board authorize the President and Secretary to award the contract between the District and The J.F. Will Co, Inc to repair the security fence near taxiway J for the Santa Maria Public Airport District. If approved, staff will prepare a budget deviation to adjust the budget for this capital item to include design and project management costs.

Please let me know if you have any questions:

Sincerely,

Chris Hastert, CM  
General Manager



# TARTAGLIA ENGINEERING

7360 El Camino Real, Suite E • P.O. Box 1930 • Atascadero, CA 93423  
Phone: 805-466-5660 • [civilengineers@tartaglia-engineering.com](mailto:civilengineers@tartaglia-engineering.com)

Chris Hastert, General Manager  
Santa Maria Public Airport District  
3217 Terminal Drive  
Santa Maria, CA 93455

February 28, 2018

Project: Fence Repair  
Subject: Bid Opening

Dear Mr. Hastert:

In accordance with the Notice Inviting Sealed Bids, bids were received for the Fence Repair Project this afternoon, February 28, 2017. A total of four (4) bids were received and reviewed:

No	Entity	Bid
1	The JF Will Co, Inc., Santa Maria	\$71,134.00
2	JG Contracting, Inc., Nipomo	\$71,773.74
3	Rdz Contractors, Nipomo	\$75,599.00
4	Kies & Son Construction, Inc. Paso Robles	\$96,740.00
	Engineer's Estimate	\$67,050.00

A review of the bidders, the bids received, and the bidding process revealed the following:

1. All four bidders were present at the mandatory Pre-Bid Job Walk.
2. During the Pre-Bid Job Walk all bidders appeared to fully grasp the scope of the project.
3. All bids were received in advance of the date and time for receipt of bids.
4. All bids included the required subcontractor schedule.
5. All bids included the required Bid Bond.
6. The bids were opened orderly.

Tartaglia Engineering performed a thorough review of all bid packages received with a focus on the following:

1. Preparation of a detailed, spread-sheet summary of all bid items to confirm bid totals. Math errors, if they exist, were evaluated based on the following two parameters:
  - A. In the event of discrepancy between unit pricing and total pricing, unit pricing shall prevail.
  - B. In the event of discrepancy between words and figures, words shall prevail.There were no math errors in any of the bids.
2. Unit pricing review for possible un-balanced bid. All bids are considered proper and well balanced.
3. Contractor licensing through the State of California, Department of Consumer Affairs. All bidders including the low bidder are properly licensed and all licensed are current.
4. Confirmation that all contractors are registered with the State Department of Industrial Relations.
5. Confirmation of proper and adequate bid bond.
6. Confirmation that the subcontractor schedule was properly and adequately filled out and that all certificates were signed.
7. Confirmation of acknowledgement / receipt of any addendum. For this project no addendums were issued.

February 28, 2018

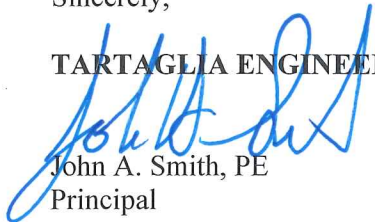
In general, it is felt bids received accurately reflect the scope of work and the level of difficulty associated with this undertaking. In addition, they reflect current construction pricing for similar work in this area.

Based on this review of the bid process and all bid packages received, Tartaglia Engineering recommends award of the construction contract to The JF Will Co., Inc., of Santa Maria, the apparent low bidder, in the amount of \$71,134.00.

Enclosed for your review you will find the bid result spread sheet, suitable for posting on the District web site. Please call with any questions you may have regarding the project or this correspondence.

Sincerely,

**TARTAGLIA ENGINEERING**



John A. Smith, PE  
Principal

Enclosure:      Bid Result Spreadsheet

**FENCE REPAIR PROJECT****Santa Maria Public Airport**

17-12

February 28, 2018 2:00 pm

No Addendums Issued													
<b>Bid Schedule</b>				<b>Engineer's Estimate</b>		<b>The J F Will Co Inc</b>		<b>JG Contracting</b>		<b>RDZ Contractors</b>		<b>Kies &amp; Sons Construction, Inc.</b>	
Item	Description	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	Mobilization	LS	1.0	\$6,000.00	\$6,000.00	\$4,800.00	\$4,800.00	\$5,700.00	\$5,700.00	\$12,743.70	\$12,743.70	\$6,660.00	\$6,660.00
2	Safety & Security	LS	1.0	\$4,500.00	\$4,500.00	\$4,530.00	\$4,530.00	\$3,081.54	\$3,081.54	\$3,360.00	\$3,360.00	\$5,790.00	\$5,790.00
3	Demolition and Removals	LS	1.0	\$7,500.00	\$7,500.00	\$8,760.00	\$8,760.00	\$4,739.04	\$4,739.04	\$2,872.00	\$2,872.00	\$4,270.00	\$4,270.00
4	Earthwork and Grading	LS	1.0	\$10,000.00	\$10,000.00	\$14,300.00	\$14,300.00	\$7,960.65	\$7,960.65	\$4,412.60	\$4,412.60	\$16,930.00	\$16,930.00
5	Concrete flatwork with footing	SF	430.0	\$35.00	\$15,050.00	\$37.00	\$15,910.00	\$62.43	\$26,844.90	\$62.84	\$27,021.20	\$80.50	\$34,615.00
6	Drainage Improvements	LS	1.0	\$12,000.00	\$12,000.00	\$8,494.00	\$8,494.00	\$11,228.95	\$11,228.95	\$7,455.00	\$7,455.00	\$7,340.00	\$7,340.00
7	Fencing	LF	45.0	\$100.00	\$4,500.00	\$284.00	\$12,780.00	\$239.79	\$10,790.55	\$254.10	\$11,434.50	\$297.00	\$13,365.00
8	Existing Gate Improvements	LS	1.0	\$7,500.00	\$7,500.00	\$1,560.00	\$1,560.00	\$1,428.11	\$1,428.11	\$6,300.00	\$6,300.00	\$7,770.00	\$7,770.00
	<b>Total Bid</b>				<b>\$67,050.00</b>		<b>\$71,134.00</b>		<b>\$71,773.74</b>		<b>\$75,599.00</b>		<b>\$96,740.00</b>
	<b>Total Base Bid Identified on Bid Form</b>						<b>\$71,134.00</b>		<b>\$71,773.74</b>		<b>\$75,599.00</b>		<b>\$96,740.00</b>