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SANTA MARIA PUBLIC AIRPORT DISTRICT BOARD OF DIRECTORS

Thursday April 25, 2019

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 APRIL 11, 2019.
- 2. COMMITTEE REPORT(S):
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc)
 - d) CITY & COUNTY LIAISON
 - e) STATE & FEDERAL LIAISON
 - f) VANDENBERG LIAISON
 - g) BUSINESS PARK COMMITTEE (Ad Hoc)
- 3. GENERAL MANAGER'S REPORT
 - a) Monthly Activity Report
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT
 - a) Demand Register

c) Budget Deviation

b) Budget to Actual

- 5. DISTRICT COUNSEL'S REPORT. (Joshua George and Natalie Frye Laacke)
- 6. PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
- 7. RESOLUTION 873. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT EXPRESSING APPRECIATION TO GARY ROUNDS FOR HIS SERVICE AS AIR TRAFFIC MANAGER.
- 8. AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A REVOCABLE PERMIT AGREEMENT BETWEEN THE DISTRICT AND SKYDIVE SANTA BARBARA, LLC.
- 9. BALLOT FOR ONE LAFCO REGULAR AND ONE ALTERNATE SPECIAL DISTRICT MEMBER.
- 10. AUTHORIZATION FOR TWO STAFF MEMBERS AND ONE DIRECTOR TO ATTEND THE FAA WESTERN-PACIFIC REGION 10TH AIRPORTS CONFERENCE TO BE HELD JUNE 4-6, 2019 IN TORRANCE, CA.
- 11. AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A LEASE BETWEEN THE DISTRICT AND G3, LLC A CALIFORNIA LIMITED LIABILITY COMPANY.
- 12. CLOSED SESSION. The Board will hold a Closed Session to discuss the following item(s):
 - a) Pursuant to California Government Code Section 54956.8 with Real Property Negotiators (Chris Hastert and District Counsel) between the District and Martin Becerra regarding 4000 S. Blosser Road, Unit 37, Santa Maria, CA.
- 13. DIRECTORS' COMMENTS.
- 14. ADJOURNMENT.

1 2 3 4 5		MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT HELD April 11, 2019
6 7 8 9 10		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, Engel, Brown and Baskett. General Manager Hastert, Manager of Finance & Administration Reade and District Counsel Frye Laacke. Director Adams was absent.
11 12 13 14	1.	MINUTES OF THE REGULAR MEETING HELD March 28, 2019. Director Baskett made a Motion to approve the minutes of the regular meeting held March 28, 2019. Director Brown Seconded and it was carried by a 4-0 vote.
15 16	2.	COMMITTEE REPORT(S):
17 18 19 20		 a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.
20 21 22 23		 b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – No meeting scheduled.
23 24 25 26		 MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.
20 27 28		d) CITY & COUNTY LIAISON – No meeting scheduled.
29		e) STATE & FEDERAL LIAISON – No meeting scheduled.
30 31 32		f) VANDENBERG LIAISON – No meeting scheduled.
33 34		g) BUSINESS PARK COMMITTEE (Ad Hoc) – No meeting scheduled.
35 36 37	3.	GENERAL MANAGER'S REPORT. Mr. Hastert updated the Board on meetings he has attended which include the Chamber Transportation Committee, The California Airports Council and the AirFest Committee.
38 39 40	4.	MANAGER OF FINANCE & ADMINISTRATION REPORT.
41 42 43		The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.
43 44 45 46 47 48		a) Demand Register. The Demand Register, covering warrants 066467 through 066517 in the amount of \$224,274.05 was recommended for approval as presented. Director Baskett made a Motion to accept the Demand Register as presented. Director Brown Seconded and it was carried by a 4-0 vote.
48 49 50	5.	DISTRICT COUNSEL'S REPORT. Nothing to report.

1 2 3 4 5 6 7 8 9 10	6.	PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board has established a five- minute time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
10 11 12 13 14 15		Two members of the public requested to Speak. The first was Jay Freeman and he chose to speak during item 8 on the agenda. The second was Jeff Hodge, a hangar tenant. He introduced himself to the Board and thanked everyone for making Santa Maria a nice airport to be a part of.
16 17 18 19 20	7.	Authorization for the President and Secretary to execute a revocable permit between the District and Central Coast Technology, Inc. DBA: Cloud Nine Aerial Advertising for banner towing. Director Baskett made a Motion to approve. Director Engel Seconded and it was carried by a 4-0 vote.
20 21 22 23 24	8.	Ballot for one LAFCO Regular and one Alternate Special District Member. Jay Freeman spoke to the Board regarding his candidacy for the Alternate Special District Member. This item has been tabled until the next meeting.
25 26 27 28	9.	Authorization for the President and Secretary to execute a Memorandum of Agreement between the District and Uber Technologies, Inc. Director Baskett made a Motion to approve. Director Brown Seconded and it was carried by a 4-0 vote.
29 30 31 32 33 34	10.	Approval of Administrative Code as amended April 11, 2019 modifying Article 1: Organization and Duties of the Board of Directors. Director Engel made a Motion to approve. Director Brown Seconded and it was carried by a 3-1 vote. Director Baskett voted "No".
34 35 36 37 38 39 40	11.	Authorization for the President and the Secretary to execute the third amendment of Service Agreement between the District and Architect Design and Construction Administration for Roof Repair at the Santa Maria Public Airport District. Director Baskett made a Motion to approve. Director Brown Seconded and it was carried by a 4-0 vote.
41 42 43	12.	Authorization for the President and Secretary to consent to the transfer of the hangar located at 3820 S. Blosser Road to Roosevelt Road Development II, Company. This item has been tabled until a later date.
44 45 46 47	13.	DIRECTORS' COMMENTS: Director Engel asked that we look into the Pioneer Park Lease and wants an update on a grazing lease.
48 49		Director Brown had no comment.
50 51		Director Baskett asked the Board for a resolution for Gary Rounds, the Air Traffic Manager.

1 2 3 4 5 6 7 8 9	14.	Director Rafferty thanked the public for their participation in the meeting. ADJOURNMENT. President Rafferty asked for a Motion to adjourn to a Regular Meeting to be held on April 25, 2019 at 7:00 p.m. at the regular meeting place. Director Engel made that Motion, Director Baskett Seconded and the Motion was carried by a 4-0 vote.
10 11 12 13		This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 7:28 p.m. on April 11, 2019.
14 15 16 17 18 19		Hugh Rafferty, President
20 21		Carl Engel, Secretary

Monthly Activity Report

March 2019

Aviation Land Leases

Total Airport Acreage

Mobile Home Park

Mobile Home Park



AGENDA ITEM

3a 4/25/2019

Aviation Building Information

	Inventory	Occupied	Available	Occupancy Rate
T Hangars	140	140	0	100%
Corporate T Hanagars	8	8	0	100%
Corprate Hangars	28	28	0	100%
Storage Units	26	26	0	100%
Owner Build	23	23	0	100%
Commercial Aviation Hangar Space (SqFt)	107,782	103,360	4,422	96%
Commercial Aviation Office Space (SqFt)	28,800	19,449	9,351	68%
Hangar Waiting List				
T-Hangars	14			
Corporate/Corporate T-Hangar	19			
Monthly Activity				
	Mar-18	Feb-19	Mar-19	%Change
Operations	2,857	2,182	2,790	-2%
Noise/Nuisance Complaints	0	0	1	
Jet\100LL Fuel (Gallons)	48,486	55,482	55,866	15%
Enplanments				
	Mar-18	Feb-19	Mar-19	%Change
Allegiant	1,932	1,496	1,847	-4%
Central Coast Shuttle	1,008	692	825	-18%
Airline Load Factor				
			Load Factor	Load Factor
		# of Flights	Actual	
			flights	SCHD flights
Allegiant	-	14	83%	83%
Land Lease Information (Acres)				
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Business Park	_	224	0	224
Agriculture		592.29	592.29	0
Grazing		511	511	0
Non Aviation Land Leases		TBD	48.42	

TBD

2,550

Spaces Rented

78

12.22

Units Sold

## DEMAND REGISTER SANTA MARIA PUBLIC AIRPORT DISTRICT

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 066518 to 066550, and electronic payments on Pacific Premier Bank and in the total amount of \$84,594.35

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 066518 to 066550, and electronic payments on Pacific Premier Bank in the total amount of \$84,594.35 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 FINANACE AND ADMINISTRATION DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF APRIL 25, 2019.

CARL ENGEL JR. SECRETARY

#### **Demand Register**

Check Number	Check Date	Vendor Name	Che	ck Amount	Description	AIP Reimbursement
066518	4/11/2019 App	lied Industrial Technologies	\$	374.10	Building Maintenance	
066519	4/11/2019 AT8	kΤ	\$	157.54	Phone Service	
066520	4/11/2019 Bed	ford Enterprises, Inc.	\$	225.11	Trash Removal	
066521	4/11/2019 Blue	eglobes, Inc.	\$	116.33	Lighting & Nav Aid Maint.	
066522	4/11/2019 Bray	vton's Power Wash & Sweep	\$	500.00	Street Sweeping	
066523	4/11/2019 Cen	Cal TEK	\$	210.00	Computer Support	
066524	4/11/2019 Clar	k Pest Control	\$	660.00	Pest Control - Terminal & Adm.	
066525	4/11/2019 Coa	st Clutch & Brake Supply	\$	69.18	Heavy Equip. Maint Mech.	
066526	4/11/2019 Eart	hbound Electric, Inc	\$	2,359.62	Building Maintenance	
066527	4/11/2019 Ferg	guson Enterprises, Inc.	\$	13.25	Buildg. Maint.	
066528	4/11/2019 From	ntier Communications	\$	1,189.15	Telephone Service	
066529	4/11/2019 The	Gas Company	\$	827.09	Utilities	
066530	4/11/2019 J B	Dewar, Inc	\$	430.77	Fuel Expense - Gas/Diesel	
066531	4/11/2019 J.D.	Humann Landscape Contr.	\$	4,315.50	Landscape Maintenance	
066532	4/11/2019 Lim	otta Internet Technologies	\$	1,534.50	Computer Support Services	
066533	4/11/2019 Los	Padres Fire Protection	\$	1,606.15	Fire Equipment Service	
066534	4/11/2019 Mc	Masters and Carr	\$	90.10	Building Maint Terminal	
066535	4/11/2019 Mis	sion Uniform Service	\$	152.55	Uniform Service	
066536	4/11/2019 Mr.	Backflow	\$	599.00	Maint Backflow Valve	
066537	4/11/2019 Nap	oa Auto Parts	\$	77.56	Auto parts	
066538	4/11/2019 Nex	t Day Signs	\$	65.25	Signs	
066539	4/11/2019 Pac	ific Telemanagement Services	\$	227.92	Pay Phone Service	
066540	4/11/2019 Prax	kair	\$	129.00	Shop Supplies	
066541	4/11/2019 ROP	KLIN Systems Incorporated	\$	999.44	Asphalt Repair	
066542	4/11/2019 Serv	vice Star	\$	11,565.85	Janitorial Service	
066543	4/11/2019 San	ta Maria Valley Crop Service	\$	2,925.38	Weed/Vector Control	
066544	4/11/2019 Sou	sa Tire Service, LLC	\$	17.50	Vehicle Maint.	
066545	4/11/2019 Tart	aglia Engineering	\$	7,188.36	ADA Contract	
066546	4/11/2019 Tri-	Counties Plant Service	\$	275.00	Interior Plants Maint.	
066547	4/11/2019 Ultr	ex Business Solutions	\$	0.71	Office Supplies	
066548	4/11/2019 U.S.	Dept. of Agriculture	\$	385.20	Wild Life Abatement	
066549	4/11/2019 VTC	Enterprises	\$	60.00	Trash - Paper Recycling	
066550	4/11/2019 S Lo	ombardi & Assoc., Inc.	\$	2,040.00	Airport Advertising	

**Total Checks Written:** 

\$ 41,387.11

	Electronic Payments		
4/10/2019	PG&E	\$ 583.11	Electricity
4/16/2019	Mastercard	\$ 4,864.25	Credit Card
4/18/2019	Mass Mutual	\$ 4,142.31	EMP Retirement
4/18/2019	PAYROLL	\$ 27,795.34	Net Checks
4/19/2019	Payroll Taxes	\$ 5,504.86	Taxes
4/19/2019	Paychex	\$ 317.37	Payroll Fees

Total Electronic Funds Transfers: \$ 43,207.24

Net Dispersed Funds

\$ 84,594.35

## For the For Months Ending January 31, 2019

#### Revenues

Account Number	Account Description	Actual YTD	Budget YTD	Over/(Under) Budget
61100-052	Landing Fees - Ameriflight	\$3,904.11	\$6,281.00	(2,377)
61100-053	Landing Fees - U.S. Forest Service	9,293.85	23,916.69	(14,623)
61100-054	Landing Fees - Federal Express - WestAir	2,762.50	3,986.99	(1,224)
61100-055	Landing Fees - Allegiant Air	14,792.93	13,508.25	1,285
61110-052	Tiedowns - Ameriflight	2,301.80	742.00	1,560
61110-054	Tiedowns - Federal Express - WestAir in	3,066.00	2,233.00	833
61110-059	FBO Tiedowns	108.00	_,	108
61130-093	Comm Veh Access - Federal Express	6,447.00	6,447.00	0
61130-094	Comm Veh Access - UPS	2,436.00	2,434.11	2
61140-152	Fuel Flowage Fees - Self Serve	1,520.94	4,073.02	(2,552)
61140-154	Fuel Flowage Fees - CC Jet Center, LLC	27,155.76	49,797.58	(22,642)
62210-005	T-Hangar 3005 Airpark	24,378.00	25,113.55	(736)
62210-009	T-Hangar 3009 Airpark	16,169.87	16,152.22	18
62210-011	T-Hangar 3011 Airpark	12,296.00	15,530.97	(3,235)
62210-019	T-Hangar 3019 Airpark	15,984.00	15,530.97	453
62210-023	T-Hangar 3023 Airpark	16,965.00	16,152.22	813
62210-027	T-Hangar 3027 Airpark	16,884.00	15,934.80	949
62210-031	T-Hangar 3031 Airpark	16,040.00	15,934.80	105
62210-039	T-Hangar 3039 Airpark	23,248.00	23,156.70	91
62210-103	T-Hangar 3103 Airpark	26,558.51	25,918.06	640
62210-107	T-Hangar 3107 Airpark	18,449.49	18,916.73	(467)
62210-109	T-Hangar 3109 Airpark	14,630.00	14,599.13	31
62210-111	T-Hangar 3111 Airpark	13,482.00	14,956.34	(1,474)
62220-035	Corporate T-Hangar 3035 Airpark	22,546.00	23,071.23	(525)
62230-005	T-Hangar Storage 3005 Airpark	3,402.00	3,415.09	(13)
62230-009	T-Hangar Storage 3009 Airpark	1,148.00	1,138.34	10
62230-011	T-Hangar Storage 3011 Airpark	1,204.00	1,199.10	5
62230-019	T-Hangar Storage 3019 Airpark	602.00	599.55	2
62230-023	T-Hangar Storage 3023 Airpark	574.00	569.17	5
62230-027	T-Hangar Storage 3027 Airpark	1,120.00	1,123.15	(3)
62230-031	T-Hangar Storage 3031 Airpark	1,040.00	1,123.15	(83)
62230-035	T-Hangar Storage 3035 Airpark	1,155.00	1,153.53	1
62230-039	T-Hangar Storage 3039 Airpark	3,402.00	3,415.09	(13)
62230-107	T-Hangar Storage 3107 Airpark	1,001.00	1,138.34	(137)
62230-109	T-Hangar Storage 3109 Airpark	359.03	493.29	(134)
62230-111	T-Hangar Storage 3111 Airpark	1,120.00	1,123.15	(3)
62240-001	Corporate Hangars 3001 Airpark	25,858.00	25,855.97	2
62240-029	Corporate Hangars 3029 Airpark	28,490.00	28,508.62	(19)
62240-105	Corporate Hangars 3105 Airpark	34,522.00	33,865.30	657
62240-118	Corporate Hangar 3043 Airpark	33,026.00	33,049.87	(24)
63310-100	Owner Build Hangar - Land (Sm)	3,749.13	3,936.59	(187)
63310-101	Owner Build Hangars - Land (Lg)	6,498.24	6,823.18	(325)
64410-177	Main Hangar - Artcraft Paints	27,764.66	27,766.76	(2)
64410-178	Main Hangar - Tricor Calif	1,295.00	1,293.32	2
64410-180	Main Hangar - J Bourdony Photo	2,037.00	2,037.00	0
64410-183	Main Hangar - S B Cellular	15,762.07	15,844.85	(83)

## For the For Months Ending January 31, 2019

#### Revenues

Account Number	Account Description	Actual YTD	Budget YTD	Over/(Under) Budget
64410-184	Main Hangar - Pleinaire Design	7,784.00	7,781.90	2
64410-185	Main Hangar - Art-Craft	27,214.46	27,215.58	(1)
64420-115	Corporate Hangar FBO 3115 Airpark	5,596.50	14,672.00	(9,076)
64420-117	Corporate Hangar FBO 3117 Liberator	19,901.00	20,715.03	(814)
64420-119	Corporate Hangar FBO 3119 Liberator	4,886.00	4,882.78	3
64420-121	Corporate Hangar FBO 3121 Liberator	4,676.00	4,679.29	(3)
64420-125	Corporate Hangar FBO 3125 Liberator (P)	30,581.88	30,581.95	(0)
64420-409	Corporate Hangar FBO 3409 Corsair	39,186.00	39,186.00	0
64420-410	U.S. Forest - Land Use Revenue	9,766.40	23,333.31	(13,567)
64420-438	Corporate Hangar FBO - CALSTAR	6,986.00	6,989.92	(4)
64420-439	Corporate Hangar FBO CC Jet Center	29,813.00	29,813.00	Ó
64420-440	Corporate Hangar FBO 3950 Mitchell	11,613.00	11,611.04	2
64420-442	Corporate Hangar FBO 3944 Mitchell	10,367.00	10,368.61	(2)
64420-443	Corporate Hangar FBO 3940 Mitchell	22,309.00	22,311.80	(3)
64420-444	Corporate Hangar FBO Arctic Air	26,012.00	26,012.00	Ó
64420-445	CC Jet Center Self Serve	1,541.04	1,225.00	316
64420-447	Rotocraft Leasing - Parking Lot	7,770.00	7,771.19	(1)
64420-448	MOF 3015/3025 Airpark Drive	1,484.00	1,463.00	21
64420-449	FBO CC Jet Center-Los Padres Disp	2,226.00	2,226.21	(0)
64420-450	CCJC (GA Terminal)	5,488.00	6,706.00	(1,218)
64459-203	Utility Reimbursement - Main Hangar	18,843.89	15,846.60	2,997
65000-100	Vehicle Access Fee - Uber	5,485.00	·	5,485
65510-251	Terminal - TSA Lease	54,658.17	54,658.17	0
65510-252	Terminal - Restaurant	17,969.00	22,067.43	(4,098)
65510-255	Terminal - Allegiant Air, Inc.	1,288.00	1,288.00	Ó
65510-256	Terminal -Central Coast Shuttle	14,575.61	14,575.61	0
65510-257	PFC Revenue	64,096.74	47,638.85	16,458
65510-262	ARINC	1,050.00	1,052.94	(3)
65520-265	Terminal Concessions - Avis	55,614.01	56,581.98	(968)
65520-266	Terminal Concessions - Budget	16,367.70	15,717.17	651
65520-267	Terminal Concessions - Hertz	37,644.96	37,828.21	(183)
65520-268	Terminal Concessions - Enterprise	14,252.00	39,377.31	(25,125)
65520-274	Terminal Vending Machines	927.13	1,094.17	(167)
65530-217	Administrative Board Room	280.00	653.31	(373)
65530-307	Other Building - Avis Service Center	6,601.00	6,597.50	4
65559-249	Utility Reimbursements - Terminal	2,184.52	1,556.87	628
65559-336	TSA - LEO Reimbursement	5,520.00	16,800.00	(11,280)
66120-080	Vehicle Training Area/Special Events	6,675.00		6,675
66120-083	Santa Maria Karting	3,850.00	3,850.00	0
66610-361	Farm Land - Castellanos	82,877.50	82,443.62	434
66610-362	Grazing Land - R. Michel	1,366.82	1,252.93	114
66610-363	Grazing Land - Mc Gray & Jokela	819.00	821.03	(2)
66610-364	Master Lease - Mahoney Brothers - CJJ	12,462.73	18,937.73	(6,475)
66610-365	Farm Land - Gresser	304,144.34	305,487.21	(1,343)
66610-366	Grazing Land - Verlade	1,880.13	1,880.13	0
66620-201	Airport Business Park	81,200.00	81,200.00	0

## For the For Months Ending January 31, 2019

#### Revenues

Account Number	Account Description	Actual	Budget	Over/(Under)
		YTD	YTD	Budget
66620-320	Pioneer Park	1,127.56	1,127.56	0
66620-455	Commercial Land - Hotel	104,976.29	107,536.73	(2,560)
66620-500	Verizon Land Lease	(14,000.00)		(14,000)
66630-381	Village Mobile Home Park	242,422.24	258,378.19	(15,956)
67910-921	Misc. Income - Late Charges		4,083.31	(4,083)
67910-924	Misc. Income - Copy Charges/Postage/Keys	2.47		2
67910-931	Misc. Income - Rebates - PG&E		3,500.00	(3,500)
67910-934	Misc. Income - Insurance Rebate	904.20		904
67910-940	Misc. Income	10.00		10
67910-951	Misc. Income - Airport Access Card	8,700.00	4,666.69	4,033
67910-970	Misc. Income - PY Expense	(194.61)		(195)
69010-951	Interest Income	38,735.91	23,826.60	14,909
69110-936	AIP 36 Reimbursement		3,594,965.50	(3,594,966)
69310-965	Tax Revenues	954,374.53	889,727.44	64,647
69410-975	Gain on Land Sales	2,611,263.00		2,611,263
69510-980	Ordinary Dividends - Principal	112.35		112
	Total Revenue	5,542,817.36	6,566,424.17	(1,023,607)

## Budget Report

Account Number	Account Description	Actual Expenses Year to Date	Budgeted Expenses for Twelve Months	Over/(Under Budget)
71110-100	Electricity - Landing Area	14,105	17,070	(2,965)
71110-455	Electricity - Hotel Ramp	889	1,088	(199)
71120-150	ARFF Services	555,874	720,330	(164,456)
71220-100	Signs	888	1,600	(712)
71310-100	Lighting & Nav Aid Maintenance	5,568	11,125	(5,557)
71323-100	Runway Generator Maintenance	2,487	3,250	(763)
71330-100	Pavement - Runways & Taxiways	999	8,200	(7,201)
71331-100	Pavement - Ramps & Tiedowns	1,893	10,850	(8,957)
71340-100	Drainage Maintenance	884		884
71345-100	Weed/Wildlife Abatement	34,876	34,070	806
71350-100	Fencing & Gates	853	4,300	(3,447)
71700-701	Sig Items - Tree Removal AOA	96,810		96,810
72100-200	Electricity - Hangars	181		181
72110-200	Electricity - Hangars	15,485	21,374	(5,889)
72130-200	Water/Sewer - Hangar	1,905	4,606	(2,701)
72150-200	Emergency Phones - Hangars	1,093	1,296	(203)
72250-200	Landscape Supplies - Hangars	480		480
72260-200	Landscaping Hangar Area	4,951	6,528	(1,577)
72290-200	Miscellaneous Hangar Supplies	872	700	172
72300-200	Building Maintenance - Hangar Area	3,706	8,900	(5,194)
72310-200	Lighting Maintenance - Hangars	1,047	7,000	(5,953)
72311-200	Janitorial Sv Hangar Area	12,726	13,860	(1,134)
72328-200	Fire Extinguisher Service - Hangar	402	1,500	(1,098)
72331-200	Pavement - Ramp - Hangars	4,000	11,250	(7,250)
72350-200	Fencing & Gates	305	3,050	(2,745)
72445-200	Fire Alarm Service - Hangars	945	3,260	(2,315)
72480-200	Waste Oil Removal - Hangars	1,129	1,500	(371)
73700-721	Owner Build - Water/Sewer	585	713	(128)
73700-722	Owner Build - Electricity	160	229	(69)
73700-723	Owner Build - Restroom Janitorial	2,100	2,520	(420)
73700-724	Owner Build - Maintenance		1,000	(1,000)
74110-203	Electricity - Main Hangar	24,820	29,581	(4,762)
74110-204	Utilities - 3940 Mitchell Rd.	211	316	(105)
74120-203	Gas- Main Hangar	1,090	495	594
74130-125	Water/Refuse - Paint Hangar	3,234	4,863	(1,629)
74130-203	Water/Refuse - Main Hangar	4,862	6,857	(1,995)
74150-125	Emerg. Phone Lines - Paint Hangar	1,595	2,096	(501)
74150-203	Emerg. Phone Lines - Main Hangar	503	655	(152)
74260-400	Landscaping - FBO	790	996	(206)
74300-400	Bld. Maint FBO Hangar Area	11,110	10,350	760
74311-203	Janitorial Sv Main Hangar & FBOs	2,100	2,520	(420)
74311-218	Water/Refuse/Sewer	1,564	3,758	(2,194)
74315-400	Fire Sprinkler Maintenance	750	2,500	(1,750)
74331-400	Pavement - Ramps & Tiedowns		2,000	(2,000)

## Budget Report

Account Number	Account Description	Actual Expenses Year to Date	Budgeted Expenses for Twelve Months	Over/(Under Budget)
74340-400	Drainage Maintenance	29	1,500	(1,471)
74350-400	Fencing & Gates	4,052	22,800	(18,748)
74445-125	Fire Alarm Service - Paint Hangar	315	420	(105)
74445-203	Fire Alarm Service - Main Hangar	315	420	(105)
75110-249	Electricity - Terminal	66,017	97,330	(31,313)
75120-249	Gas - Terminal	2,621	5,847	(3,226)
75130-249	Water/Refuse/Sewer - Terminal	10,252	22,839	(12,587)
75150-249	Emerg. Phone Lines - Terminal	5,118	7,421	(2,303)
75150-250	Pay Phone Service - Terminal	2,507	2,735	(228)
75150-300	Audio & Video Monthly Charges	2,069	2,280	(211)
75220-250	Signs	652	2,000	(1,348)
75255-250	Janitorial Sv Terminal Area	79,760	95,712	(15,952)
75260-250	Landscaping - Terminal	21,842	28,644	(6,802)
75300-249	Building Maint Terminal	34,625	35,700	(1,075)
75300-339	Building Maintenance - Fire Station	4,501	5,730	(1,229)
75310-240	Lighting Maintenance - Streets	287	500	(213)
75310-249	Lighting Maint Terminal	3,089	4,000	(911)
75310-339	Lighting Maint Fire Station		100	(100)
75320-249	Equipment Maintenance - Terminal	31		31
75323-249	Generator Maint Terminal	1,088	1,500	(412)
75323-339	Generator Maint Fire Station	962	2,000	(1,038)
75333-250	Pavement - Roads - Terminal Area	5,350	10,000	(4,650)
75350-250	Fencing & Gates - Terminal	596	2,000	(1,404)
75465-249	Automatic Door Maint.	2,736	3,000	(264)
75475-249	Interior Plant Service - Terminal	2,750	3,300	(550)
75700-740	Terminal Accessories	3,183	6,360	(3,177)
75700-761	Fire Fighting Equipment	4 500	11,750	(11,750)
76110-300	Electric - Street Lights	1,508	3,049	(1,541)
76110-310	Electric - Retention Dam Pumps	5,295	4,834	461
76140-300	Recycled Water	147	2,250	(2,103)
76220-250	Signs	135	1,000	(865)
76260-300	Landscaping - Rev. Gen. Land	7,150	9,476	(2,326)
76290-300	South Well Repairs		500	(500)
76310-300	Street Light Maintenance	2 470	500	(500)
76340-300 76345-300	Drainage Maintenance	2,479	3,000	(521)
76345-300	North Well Repairs Fencing & Gates		1,500 2,500	(1,500) (2,500)
76360-300	Stormwater Retention Facilities	2,013	3,400	(1,387)
76438-300	Permits - Retention Dams	2,013	3,400	275
76700-750	MHP - Salaries	68,683	92,799	(24,116)
76700-752	MHP - Maintenance	15,455	33,955	(18,500)
76700-753	MHP - MHP Liability Insurance	5,762	6,350	(18,500) (588)
76700-754	MHP - Utilities	115,909	162,840	(46,931)
76700-755	MHP - Property Management	21,150	30,000	(8,850)

## Budget Report

Account Number	Account Description	Actual Expenses Year to Date	Budgeted Expenses for Twelve Months	Over/(Under Budget)
76700-757	MHP - General and Admin. Expense	14,318	15,500	(1,182)
87010-451	General Manager	120,968	161,661	(40,693)
87010-452	Manager of Operations and Maintenance	72,508	92,234	(19,726)
87010-453	Manager of Finance and Administration	70,583	92,234	(21,652)
87010-454	Operations Officer	41,523	52,681	(11,158)
87010-455	Administrative Assistant	44,216	56,445	(12,228)
87010-456	Maintenance Foreman	57,776	73,494	(15,718)
87010-457	Maintenance Workers III	51,843	65,959	(14,116)
87010-458	Maintenance Worker I	55,832	69,642	(13,810)
87010-459	Maintenance Worker II	35,844	45,379	(9,534)
87010-460	Accounting Clerk	89,610	88,904	706
87010-462	Receptionist	30,884	39,187	(8,303)
87020-473	Longevity Pay	15,975	18,736	(2,761)
87020-474	On Call Pay		8,000	(8,000)
87030-481	Medicare Tax	11,136	12,536	(1,400)
87030-482	Medical Insurance	196,481	251,492	(55,010)
87030-483	Dental Insurance	12,860	11,641	1,218
87030-484	Auto Allowance	9,462	12,000	(2,538)
87030-485	Life Insurance	3,147	3,960	(813)
87030-486	Disability Insurance	7,432	7,113	320
87030-487	PERS Retirement	151,779	213,787	(62,007)
87030-488	Worker's Compensation	16,342	16,231	112
87030-489	Employee Vision Coverage	1,752	1,526	227
87030-495	Unemployment Claims	1,955		1,955
87110-150	Electricity - Shop	2,529	2,906	(377)
87110-217	Electricity - Administration Building	9,318	14,510	(5,192)
87120-150	Gas - Shop	192	252	(60)
87120-217	Gas - Administration Building	589	803	(213)
87130-150	Water/Refuse - Shop	2,233	3,230	(997)
87130-217	Water/Sewer - Administrative Building	917	1,508	(592)
87130-500	Water - Landscaping	16,529	26,824	(10,296)
87140-500	Trash - Paper Recycling	1,201	720	481
87160-501	Cellular Phone	13,861	14,510	(649)
87160-502	Security Phone Lines	802	1,032	(230)
87160-504	Administration Office - Monthly Service	4,418	6,670	(2,253)
87160-505	Administration Office - Toll Calls	1,034	2,172	(1,138)
87160-507	Administration Office - Fax Line	1,092	1,431	(339)
87160-509	Tower & Fire Station	2,339	2,871	(532)
87160-510	Shop Phone	1,588	2,351	(763)
87160-511	Answering Service	2,501	3,413	(912)
87210-500	Security Supplies	1,400	3,400	(2,000)
87230-500	Janitorial Supplies	7,010	8,622	(1,612)
87240-500	Small Tools	4,370	9,042	(4,672)
87260-150	Shop Supplies	2,812	4,550	(1,738)

## Budget Report

Account Number	Account Description	Actual Expenses Year to Date	Budgeted Expenses for Twelve Months	Over/(Under Budget)
87270-531	Fuel Expense - Gas/Oil	8,035	10,031	(1,995)
87270-532	Fuel Expense - Diesel Fuel/Oil	11,343	13,254	(1,911)
87275-500	Solvent	1,923	549	1,374
87280-546	First Aid	560	549	11
87280-547	Safety Equipment	1,987	3,506	(1,519)
87280-548	Training Supplies	450	600	(150)
87286-500	Uniform Service	6,241	5,962	279
87290-500	Sundries	3,607	4,700	(1,093)
87300-150	Building Maintenance - Shop	479	3,650	(3,171)
87300-217	Building Maint Admin. Bldg.	4,381	7,920	(3,539)
87321-150	Equipment Maintenance - Shop	306	750	(444)
87322-500	Radio Maintenance	845	3,053	(2,208)
87324-521	Copier	6,650	7,931	(1,281)
87324-523	Maintenance - Postage Machine	1,156	1,448	(292)
87328-500	Fire Extinguisher Service	1,205	1,400	(195)
87360-536	Automotive Maintenance	3,244	8,000	(4,756)
87360-537	Automotive Maintenance - Tires	1,598	4,000	(2,402)
87370-541	Heavy Equip. Maint.	8,311	14,415	(6,104)
87370-542	Heavy Equip. Maint Tires	2,293	2,500	(207)
87370-543	ARFF Vehicle Maintenance	20,469	21,000	(531)
87380-554	Fuel System - Fire Alarm Service	315	540	(225)
87400-500	Directors Fees	8,400	21,000	(12,600)
87412-500	Payroll Processing Fees	3,918	4,773	(854)
87414-500	Annual Audit	19,268	27,750	(8,482)
87420-500	Legal Counsel Services	56,834	74,976	(18,143)
87422-500	Legal Services Contingencies	30,000		30,000
87440-500	Security Service	211,941	448,503	(236,562)
87443-500	Security Sys Maint & Repairs	18,529	16,000	2,529
87450-500	Janitorial Service - Admin	9,450	11,567	(2,117)
87470-500	Landscaping Services	3,265	4,488	(1,223)
87472-500	Landscaping Contingencies	175	5,000	(4,825)
87475-500	Internet/Web Page Maintenance	19,434	20,497	(1,064)
87510-562	Bank Charges - Service Charges	10,033	11,500	(1,467)
87520-566	Freight & Common Carrier	433	473	(40)
87520-567	Postage	699	1,800	(1,101)
87520-568	Printing & Stationery	516	1,200	(684)
87520-570	Misc. Office Supplies	6,298	15,071	(8,774)
87520-572	Books & Publications	1,802	500	1,301
87530-581	Computer Supplies	2,357	18,220	(15,863)
87530-583	Computer Support Services	66,198	67,270	(1,072)
87540-600	Dues and Memberships	4,339	4,822	(483)
87540-601	Dues -AAAE	4,250	4,600	(350)
87540-603	Dues - SWAAAE	95	475	(380)
87540-605	Dues - Chamber of Commerce	8,045	8,000	45

## Budget Report

Account Number	Account Description	Actual Expenses Year to Date	Budgeted Expenses for Twelve Months	Over/(Under Budget)
87540-606	Dues - National Notary Association		150	(150)
87540-607	Dues - CSDA	6,965	6,388	577
87540-608	Dues - AAAE ARDF CA Airport Storm	4,950	4,950	0
87540-610	Costco Membership	180	165	15
87540-618	Santa Maria Times		150	(150)
87540-625	SBCCSDA	300		300
87540-628	Pro-rata Share of LAFCO Budget	4,391	4,391	(0)
87600-596	Advertising - Legal	1,736	1,000	736
87600-597	Advertising - General	2,550		2,550
87600-599	Advertising - Airport Advertising	42,573	56,500	(13,927)
87610-100	Depreciation - Landing Area	534,946	1,530,508	(995,562)
87610-200	Depreciation - Hangar Area	72,623	145,853	(73,230)
87610-250	Depreciation - Terminal Area	179,957	360,107	(180,150)
87610-300	Depreciation -RGL	112,969	242,685	(129,716)
87610-400	Depreciation - Main Hangar & FBO	26,802	56,683	(29,881)
87610-500	Depreciation - Administration	87,576	147,029	(59,453)
87618-500	Election Expense	25,645		25,645
87620-692	Emergency Exercises		500	(500)
87630-591	Insurance - Airport Liability	6,475	20,000	(13,525)
87630-592	Insurance - Auto, Fire, Property	37,035	74,643	(37,608)
87630-595	Insurance - General Liability	15,941	31,883	(15,941)
87650-641	Taxes - Sales	247		247
87650-643	Permits	4,277	2,993	1,284
87650-646	Storm Water Permits		1,283	(1,283)
87660-500	Education	2,319	9,000	(6,681)
87670-500	Business Travel & Entertainment	55,080	56,618	(1,537)
87679-500	Employee Recognition	1,982	3,500	(1,518)
87700-791	Sig Items - Training Live Burn		24,000	(24,000)
88680-681	SM Chamber Economic Development	36,300	36,300	0
88680-685	AirFest	132,535	15,000	117,535
88680-691	Planning & Marketing	9,000	25,000	(16,000)
88680-692	Marketing Aviation Related	21,775	64,830	(43,055)
88680-693	Consulting Services - Contingencies	70,741	102,550	(31,809)
88680-697	Significant Item Scanner	2,123		2,123
	Total		7,132,055	· · · · · · · · · · · · · · · · · · ·



#### **MEMORANDUM**

Santa Maria Public Airport District

April 25, 2019

TO: Board of Directors

FROM: Manager of Finance and Administration

SUBJECT: Budget Deviation #2 for 2018 - 2019 Budget

It is recommended that the 2018 - 2019 Budget be amended to include the following changes:

		Budget		Budget		ncrease/ Decrease)
Sig Items - Tree Removal AOA	\$	96,810	\$	-	\$	96,810
Obstruction Removal	\$	-	\$	100,000	\$	(100,000)
Legal Services Contingencies	\$	30,000	\$	-	\$	30,000
Election Expense	\$	25,645	\$	-	\$	25,645
Weed/Wildlife Abatement	\$	39,875	\$	34,070	\$	5,805
Total	\$	192,330	\$	134,070	\$	58,260
	Obstruction Removal Legal Services Contingencies Election Expense Weed/Wildlife Abatement	Sig Items - Tree Removal AOA\$Obstruction Removal\$Legal Services Contingencies\$Election Expense\$Weed/Wildlife Abatement\$	Obstruction Removal\$-Legal Services Contingencies\$30,000Election Expense\$25,645Weed/Wildlife Abatement\$39,875	Budget AmountSig Items - Tree Removal AOA\$ 96,810Obstruction Removal\$ - \$Legal Services Contingencies\$ 30,000Election Expense\$ 25,645Weed/Wildlife Abatement\$ 39,875	Budget AmountBudget AmountSig Items - Tree Removal AOA Obstruction Removal\$ 96,810 \$ - \$ 100,000Legal Services Contingencies Election Expense\$ 30,000 \$ 25,645Weed/Wildlife Abatement\$ 39,875 \$ 34,070	Budget AmountBudget Amount(I AmountSig Items - Tree Removal AOA Obstruction Removal\$ 96,810 \$ - \$ 100,000\$ - \$ \$ 100,000Legal Services Contingencies Election Expense\$ 30,000 \$ 25,645\$ - \$ \$ \$ 39,875\$ 34,070

1.) Transferring from a fixed asset account to an expense account.

2.) Transferring from a fixed asset account to an expense account.

3.) Payment to Shenkman and Hughes legal fees associated with the establishment of District based elections.

4.) Charges for 2018 general election including two four year and one 2 year director positions.

5.) Additional weed and wildlife abatement required due to above average rainfall, additional coyote sightings, and air show preparation.

Approved:

Veroneka Reade, Manager of Finance and Administration

Recommended:

Chris Hastert, General Manager

Approved Board Meeting

of April 25, 2019____

Carl Engel Jr, Secretary

## <u>REVOCABLE PERMIT AGREEMENT</u> <u>SKYDIVE SANTA BARBARA LLC</u>

THIS REVOCABLE PERMIT AGREEMENT, (herein called "Agreement") entered into this 18th day of April 2019;

#### BY AND BETWEEN

SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district organized pursuant to Public Utilities Code Sections 22001, et seq., hereinafter referred to as "District";

and

SKYDIVE SANTA BARBARA LLC., a California Limited Liability Company, hereinafter referred to as "Permittee";

#### WITNESSETH

WHEREAS, District is the owner of the Santa Maria Public Airport ("Airport"), which airport is located in the City of Santa Maria, County of Santa Barbara, California; and

WHEREAS, Permittee desires to use portions of said Airport at various times throughout the year from May 27, 2019, to May 31, 2020 for the purpose of preparing for and conducting skydiving activities; and

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and promises contained herein below, it is mutually agreed as follows:

#### 1. <u>SCOPE OF PERMIT</u>

District hereby gives Permittee permission to utilize portions of the Santa Maria Public Airport for staging and conducting skydiving activities, hereinafter referred to as "Activities", and for purposes incidental thereto for the dates and times described in Paragraph 4 below, subject to the conditions set forth below.

#### 2. <u>FEE</u>

Pursuant the Districts' rates and charges schedule, the fee for this permit is \$150.00.

#### 3. NATURE OF INTEREST GRANTED

For all the purposes of this permit, Permittee is and shall be deemed to be, with respect to District, a licensee. It is mutually agreed and understood that nothing contained in this permit shall be deemed or construed to constitute a partnership or joint venture between the parties to this permit. This Agreement is merely for the purpose of allowing Permittee to use the airport and the facilities thereon to stage and conduct said Event and activities related and incidental thereto.

### 4. <u>EFFECTIVE DATES OF PERMIT</u>

This permit shall allow Permittee to utilize portions of the airfield of the Santa Maria Public Airport depicted in Exhibit "A" attached and incorporated by this reference, pursuant to the terms and conditions of this Agreement and any reasonable access for preparation, removal of equipment, and cleanup associated with the Activities.

#### 5. OBLIGATIONS OF PERMITTEE

This Agreement is contingent upon the following:

A. Permittee shall obtain the approval of the Federal Aviation Administration (FAA) for all phases of said Activities requiring such approval.

B. Permittee shall notify and coordinate with the District and obtain approval for specific dates and times for use. The Activities shall not affect normal airport operations and shall minimize the Activity's impact to tenants and other users.

C. Permittee shall furnish all personnel necessary to direct automobile parking, give traffic direction, and provide crowd control.

D. Permittee shall provide all sanitary and first aid facilities necessary to accommodate expected crowds and sufficient adult security personnel to protect based and transient aircraft and participating aircraft, vehicles and equipment, to direct automobile parking, give traffic directions, to provide crowd control, and to prevent attendees from leaving the Activity area and entering onto active aircraft pavements during the period of this permit.

E. Permittee shall arrange all fire protection, ambulance and aircraft crash rescue functions as are deemed necessary by the parties hereto or by any agency with jurisdiction.

F. Permittee shall clean up, repair and maintain any area of the Santa Maria Public Airport impacted by activity under this permit, immediately subsequent to the close of the Activities. Permittee shall clean the entire area used by it, remove any and all debris and trash, and restore the area to the condition existing immediately prior to the commencement of Permittee's operations.

G. Permittee shall obtain and timely bear the expense of all licenses, permits, and other authorization required by applicable public agencies. Permittee shall pay promptly all lawful taxes and assessments which may be levied by federal, state, county, city or other tax levying body on any taxable interest of Permittee, including possessory interest taxes, as well as all taxes and assessments on taxable personal property of whatever nature owned by Permittee and located on the permit premises.

H. Permittee and its invitees shall access the Activity area only through the gates 16 and 17. Use of any other gate is specifically prohibited.

#### 6. OBLIGATIONS OF DISTRICT

A. District may in its sole discretion make available for use by Permittee District-owned property, both real (buildings, etc.) and personal for which District may charge a reasonable fee.

B. The use of District's real or personal property shall be at no cost to District above and beyond normal operating costs of the Airport and Permittee shall bear all costs connected with the staging of said Activities incidental thereto.

C. Permittee shall not interfere with the regular operation of persons engaged in air commerce or tenants doing business on the airport by virtue of a lease with District.

## 7. <u>SAFETY</u>

Safety shall be the keynote of this Activity. Anyone deemed to have acted, flown or driven in an unsafe or reckless manner, or in a manner and style considered beyond good airmanship and safety shall be barred from the Event, escorted from the airport by Permittee or District, and barred from any further flight. It shall be the duty of Permittee to ensure that safety and proper airmanship will be observed at all times. Permittee shall take any and all steps necessary, including prohibition of flying, when Permittee or District determine that the principles of good airmanship and/or safety have been violated. In the absence of an FAA monitor, District's General Manager, or his representative, may stop any and/or all unsatisfactory flight operation until the unsafe or unsatisfactory condition is corrected.

#### 8. INSURANCE

A. To the extent insurance covering the Event is available, Permittee shall obtain and maintain in full force and effect during the period of the Event and/or any activity pertaining thereto (including setup of premises, practice flights, performance, cleanup, and dismantling):

a) Commercial general liability insurance, including bodily injury and death liability, property damage liability and premises liability of at least \$300,000 for each accident or occurrence.

b) The Santa Maria Public Airport District, its directors, employees, officers, agents, and representatives, are to be included as additional named insured.

c) Comprehensive general liability insurance including public liability, contractual liability and property damage.

d) The Santa Maria Public Airport District shall be an additional insured on the policy and shall be provided a Certificate of Insurance not less than fifteen (15) days prior to the scheduled event date showing that coverage is in effect for the entire period of the Permit. No material change in coverage or cancellation may be made after that time.

B. Permittee shall file with District's General Manager prior to any and all activities pertinent to the granting of this permit and/or its rights and privileges (including setup of premises, practices, performances, cleanup, and dismantling), a Worker's Compensation insurance certificate covering its employees (if any). Coverage shall be statutory limits.

## 9. <u>DISTRICT HELD HARMLESS</u>

Permittee shall defend (with legal counsel acceptable to District), indemnify, and hold harmless the District, its officers, employees and agents from and against all liability, loss, judgment, claims, demands, costs and expenses for injuries to or death of persons, or damages to property caused by Permittee, its agents, invitees, performers or employees, or by their use or occupancy of the Santa Maria Public Airport, excluding only liability or loss occasioned, caused or suffered by the sole active negligence or willful misconduct of District.

Further, Permittee shall defend, indemnify, and hold harmless the District, its officers, employees and agents, from and against all liability, judgment, loss, claims, demands, costs and expenses which may accrue, as a consequence of District granting this permit and agreement to Permittee, and from Permittee's compliance with the provisions of District's rules, regulations, resolutions and ordinances required by District.

## 10. <u>NO DEMANDS UPON DISTRICT</u>

Permittee accepts the Santa Maria Public Airport in the condition the Airport is in immediately prior to Permittee's occupation and use thereof for the purposes of this permit and shall make no demand upon District for any alterations, repairs, or construction.

## 11. <u>USE OF SANTA MARIA PUBLIC AIRPORT</u>

Permittee may use such public-use areas and facilities at the Santa Maria Public Airport as are designated by District's General Manager. Permittee shall have the right to construct and maintain such temporary facilities and/or structures as are necessary for operations as allowed by this permit, including controlling the ingress and egress of the public and Event participants, provided District's General Manager first approves any such temporary facilities and/or structures. Upon the request of District's General Manager, Permittee shall remove said temporary facilities and/or structures.

## 12. DAMAGE TO SANTA MARIA PUBLIC AIRPORT

Permittee shall repair or cause to be repaired, at its own expense, any and all damage and injury to the property of District or to the property of others on the Santa Maria Public Airport, and which damage has been caused by Permittee, its agents, employees, or others who may be on the airport for any purpose connected with the staging and operation of the Event or attendance at the Event. This provision includes but is not limited to all aircraft moved from their normal and regular tiedown or parking spaces to make room for Event activities, until returned to their normal and regular tiedown or parking such aircraft while located at the Santa Maria Public Airport whether at their regular tiedown locations or otherwise.

### 13. <u>COVENANTS</u>

Permittee specifically agrees, and covenants as follows:

A. That in its operation of the Activity and the operation of all of its activities on the Santa Maria Public Airport, neither it nor any person or organization occupying space or facilities thereon will discriminate against any person or class of persons by reason of age, disability, sex, race, color, creed, or national origin in the use of any facilities provided for the public on the airport.

B. That in rendering to the public any service (including the furnishing or sale of admission tickets, transportation, supplies, or materials) essential to its operation at the airport, it will:

1) Furnish such service on a fair, equal, and not unjustly discriminatory basis to all users thereof; and

2) Charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that Permittee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

C. This permit is subject to all existing leases, licenses, and other agreements for the use of the Airport between District and any other person or entity.

D. Permittee will obey the rules and regulations as may from time to time be promulgated by District or its authorized agents in charge of the airport, to ensure the safe and orderly conduct of operations at the Airport. Permittee shall also obey the aviation-related rules and regulations as may from time to time be promulgated by the United States, or by any of its departments or agencies, and by the State of California. Specifically, District's official Rules and Regulations governing operations at the Santa Maria Public Airport, as may be amended from time to time, are incorporated by reference into this permit and made a part hereof.

E. Permittee shall use the airport in an orderly, peaceable, and quiet manner, and in strict compliance with all applicable laws and ordinances and shall not use the premises, nor allow any person or persons to use the premises, for any purpose whatsoever that is in violation of any law or ordinance.

## 14. <u>NO ASSIGNMENT, DELEGATION, NOR SUBLICENSING</u>

This Agreement, being the nature of a personal and revocable permit, may not be assigned, delegated, nor can it as a whole, be the subject of a concession or sublicense agreement. However, Permittee may allow concessionaires to enter upon the Santa Maria Public Airport for the performance of functions and services within the scope of the uses allowed to Permittee under the provisions of this Agreement. To avoid uncontrolled vending of merchandise during the period of this permit, only those tenants having an agreement with District, and concessionaires, exhibitors, and salespersons having written agreements with Permittee, will be allowed to sell to the public on the airport.

#### 15. <u>RIGHT TO AMEND</u>

This permit shall be subordinate to the provisions of any existing or future Agreement between District and the United States, including those by which District obtains federally owned surplus property or federal aid for the improvement, operation, and/or maintenance of the airport. In the event that the Federal Aviation Administration, or any other federal agency, requires modifications or changes in or revocation of this permit as a condition for the granting of funds for the improvement of the airline terminal or lands and improvements covered by its laws, rules, or regulations, Permittee agrees to consent to the amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements, or revocation of this permit as may be required to obtain such funds.

#### 16. <u>SPECIAL PROVISION</u>

Nothing contained in this permit shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

### 17. CANCELLATION BY DISTRICT

District, in addition to any rights to which it may be entitled by law, may cancel or revoke this permit upon or after the occurrence of any of the following events:

A. The assumption by the United States Government, or any of its authorized agencies, of the operational use or control of the Santa Maria Public Airport, or any substantial part of the airport, in such manner as to substantially restrict the use of the airport for any of the purposes for which Permittee is authorized;

B. The existence or operation of any rule, regulation, sponsor assurance, or order of the Federal Aviation Administration, directly or indirectly, requiring the discontinuance or substantial reduction of the use of the airport for any of the purposes for which Permittee is authorized;

C. The issuance of an injunction by any court of competent jurisdiction restraining the use of the airport for any of the purposes for which Permittee or District are authorized;

D. The appointment of a receiver of Permittee's assets which results in a liquidation of Permittee's assets;

E. The general assignment of this permit by Permittee for the benefit of creditors;

F. The default by Permittee in the performance of any of the terms and conditions required by this permit to be kept and performed.

G. The occurrence of any event which in the opinion of District's General Manager threatens the safety of those using the Airport, the Airport itself, or property on the Airport.

#### 18. <u>WAIVER</u>

It is agreed that a failure on the part of District to take appropriate action or to declare this permit terminated for default by Permittee in any one or more of the terms, covenants, or conditions will not be considered or construed as a waiver by District of such right on any further or future default on the part of Permittee.

#### 19. <u>SURRENDER</u>

Permittee covenants that on the expiration of this permit, Permittee will peaceably and quietly leave and surrender the premises in as good condition as they are now (or may be at time of entry under this permit) after making alterations, additions, or improvements as permitted by District, ordinary wear and tear excepted.

#### 20. <u>TIME</u>

Concerning this permit and the performance of each and every provision contained in it, time is of the essence.

#### 21. <u>SECTION HEADINGS</u>

The section headings contained in this permit are for convenience in reference and are not intended to define, govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this permit.

#### 22. <u>NOTICES</u>

Notices pursuant to this Agreement shall be given by United States mail, postage prepaid, addressed to the parties hereto as follows:

- District: SANTA MARIA PUBLIC AIRPORT DISTRICT 3217 Terminal Drive Santa Maria, CA 93455
- Permittee: David Hughes, Member/Manager SKYDIVE SANTA BARBARA LLC 1801 North H St. Lompoc, CA 93436

#### 23. <u>ATTORNEY FEES</u>

In the event of any action, proceeding or lawsuit to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorney fees.

#### 24. PARTICIPANT RELEASES

Permitee shall ensure that all participants in the Event execute the Acknowledgement/Release of Indemnity in the form attached hereto as Exhibit "B" prior to participation in any Event activities.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be fully executed.

DATE: April 25, 2019

Approved as to content for District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

General Manager

Hugh Rafferty, President

Approved as to form for District:

By_____ Carl Engel, Secretary

District Counsel

SKYDIVE SANTA BARBARA LLC.

By__

By___

David Hughes, Member/Manager

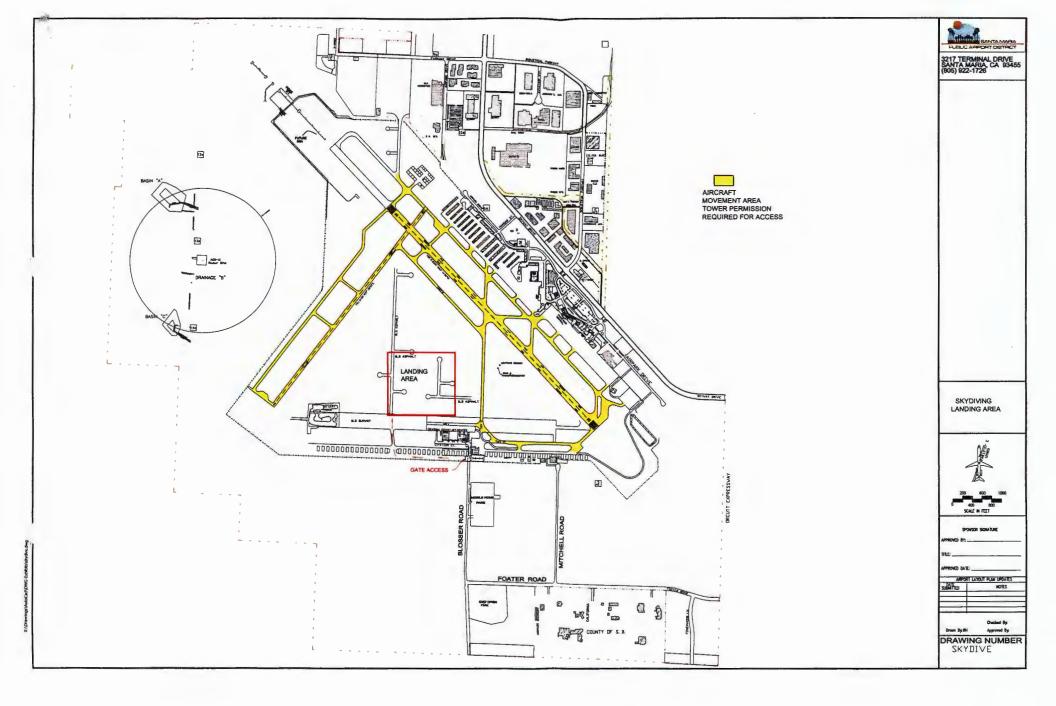


Exhibit A

## SKYDIVE SANTA BARBARA, L.L.C. 1801 NORTH H. ST, LOMPOC, CA 93436

PLEASE PRINT CLEARLY		DATE			
NAME		AGE WEIGHTLBS			
ADDRESS	CITY	STZIP			
TELEPHONE ( )	BIRTHDATE //	I.D			
E-MAIL (FOR FUTURE PROMOTIONS)					
	RELATIONSHIP				
EXPERIENCE STATUS:		I HAVEJUMPS			
USPA MEMBERSHIP NO.	EXPIRATION DATE	LICENSE NO			

#### THIS IS AN IMPORTANT DOCUMENT - READ IT CAREFULLY

## WARNING!!!

By signing this legal document your are giving up important legal rights. You will probably not be able to win a lawsuit, even though your injury(s) is the fault of someone other than yourself. Do not sign this document until you have thought about the consequences.

#### NOTICE:

There is an accident report available for your inspection. These reports detail some of the accidents and injuries that have occured in skydiving.

#### **INSURANCE:**

Your skydiving activities are not covered by <u>any</u> insurance. If you require insurance, you must furnish your own insurance, through your own insurance carrier.

# As per public utilities code section 24351: NO LIABILITY INSURANCE COVERAGE WHILE RIDING IN THE AIRCRAFT.

#### WARNING:

Skydiving and all associated activities are HIGH RISK. They include the risk of sprains, broken bones, serious injury, and the risk of death.

I have read and understand the above 4 paragraphs. (Sign)_

In consideration for being allowed to utilize the facilities and equipment of SKYDIVE SANTA BARBARA, L.L.C., and to engage in INSTRUCTION, GROUND TRAINING, FLYING, SKYDIVING, and any and all related activities (hereinafter referred to, collectively, as skydiving activities);

1._____, hereby agree as follows:

NOTE: Read and understand each provision of this agreement and so Indicate by placing your initials in the space provided at the end of each important item.

RELEASE OF LIABILITY INDEMNITY AGREEMENT ASSUMPTION OF RISK, COVENANT NOT TO SUE, HOLD HARMLESS CONTINUATION OF OBLIGATION, AND WAIVER OF RIGHTS. (____)

1. I hereby forever RELEASE AND DISCHARGE SKYDIVE SANTA BARBARA, L.L.C., CITY OF LOMPOC, land owners, aircraft owners, pilots, instructors, concessionaires, contractors, officers, agents, United States Parachute Association and manufacturers, distributors and dealers of skydiving equipment; employees and volunteers of any of the above named parties, and other parties as may be named by SKYDIVE SANTA BARBARA, L.L.C., (hereinafter referred to collectively as the released parties), FROM ANY AND ALL LIABILITY, CLAIMS, OR CAUSES OF ACTION, WHATSOEVER, ARISING OUT OF ANY INJURY OR DEATH TO ME OR ANY DAMAGE OR LOSS TO MY PROPERTY WHILE PARTICIPATING IN SKYDIVING ACTIVITIES, INCLUDING, BUT NOT LIMITED TO SUCH LOSS, DAMAGE, INJURY OR DEATH, CAUSED BY THE PASSIVE OR ACTIVE NEGLIGENCE OF THE RELEASED PARTIES (_____) OR HIDDEN, LATENT, OR OBVIOUS DEFECTS IN THE EQUIPMENT USED, OR IN OR ON ANY PART OF THE PREMISES (_____) for the purposes of this document, "premises" shall mean and refer to any and all of the following used In the activities contemplated under this agreement: (I) Aircraft; (II) airport; (III) the real property where the lending from the jump occurs and the surrounding area (drop zone) whether or not it is the intended drop zone.

2. I further agree that I WILL NOT SUE OR MAKE A CLAIM AGAINST THE RELEASED PARTIES FOR LOSS OR DAMAGE SUSTAINED AS A RESULT OF MY PARTICIPATION IN SKYDIVING ACTIVITIES, WHETHER IT BE TO MY PROPERTY OR TO MY PERSON, INCLUDING DEATH. (____) I ALSO AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE RELEASED PARTIES FROM ALL CLAIMS, JUDGEMENTS AND COSTS, INCLUDING ATTORNEY'S FEES, INCURRED IN CONNECTION WITH ANY ACTION BROUGHT AS A RESULT OF MY PARTICIPATION IN SKYDIVING ACTIVITIES. (___ __) -THIS MEANS, AMONG OTHER THINGS, THAT IF AS A RESULT OF MY ACTIVITIES CONTEMPLATED IN THIS AGREEMENT A CLAIM IS MADE AGAINST ANY ONE OR MORE RELEASED PARTIES, OR IF A JUDGEMENT IS OBTAINED AS A RESULT OF ANY SUCH CLAIM, I OR MY ESTATE IF I AM DECEASED, WILL HAVE TO PAY ON BEHALF OF THE RELEASED PARTIES THEIR COSTS, INCLUDING ATTORNEY'S FEES, IN DEFENDING THEMSELVES FROM THE CLAIM, AND IF A JUDGEMENT IS FOUND AGAINST ANY ONE OR MORE OF THE RELEASED PARTIES, THE AMOUNT OF THE JUDGEMENT (_____). I hereby instruct my heirs, executors and administrators never to institute any suit or action at law against any of the released parties, even If losses am caused by the PASSIVE OR ACTIVE NEGLIGENCE OF ANY OR ALL OF THE RELEASED PARTIES, OR OBVIOUS OR HIDDEN DEFECTS OF THE PREMISES, EQUIPMENT, OR AIRCRAFT ...) I acknowledge and agree that this agreement shall remain in full force and effect USED. (_ now and In the future. (_____) This agreement shall be binding upon my helm, executors, and administrators of my estate. (____) THE INTENT OF THIS RELEASE AND DISCHARGE IS TO REMOVE ANY DUTY OF CARE TO ME BY THE RELEASED PARTIES, WHATSOEVER. (_____

3. I understand and acknowledge that skydiving activities have inherent dangers that no amount of care, caution, instruction, or expertise can eliminate. I EXPRESSLY AND VOLUNTARILY ASSUME ALL RISKS (_____) associated with skydiving activities. I am fully aware that skydiving activities include the possibility of SERIOUS INJURY AND/OR DEATH. Knowing this I ASSUME ALL RISKS OF INJURY OR DEATH, even though there may be PASSIVE OR ACTIVE NEGLIGENCE, HIDDEN, LATENT, OR OBVIOUS DEFECTS in or on the premises, equipment, aircraft, or instruction and training.

4. I understand that the parachutes and associated equipment I will use are provided without warranty. They are expressly not warranted that they are fit for a particular purpose, whatsoever. **PARACHUTES DO NOT ALWAYS WORK THE WAY THEY ARE EXPECTED OR INTENDED**. Furthermore, [ understand my body position and stability can drastically effect the deployment and operation of the parachute. (____)

5. I understand that the nature of skydiving makes it impossible for an instructor to determine, with any degree of certainty, that I have been trained properly and adequately, or that I have grasped and comprehend the instruction given to me. (_____) Furthermore, it is impossible for an instructor to predict how I will react under the high-speed conditions and stress that are inherent in skydiving activities. (_____) I understand that there is no warranty, expressed or implied, whatsoever, as to the adequacy of the training provided to me. (_____) I understand that if I am not sure of any part of the training I can return and re-train with any scheduled class at no additional cost to me. (_____) Should I elect to participate in skydiving activities, I will be deemed to have warranted to SKYDIVE SANTA BARBARA, L.L.C., that based on my own evaluation and understanding of training I have received, that I can safely perform a skydive, and cope with the high speed conditions and stress.

6. i specifically agree that I have been afforded the opportunity to inspect all of the equipment, aircraft and facilities provided by SKYDIVE SANTA BARBARA, L.L.C., their concessionaires, and the released parties, together with the intended drop zone and the area around the intended drop zone. (____) I acknowledge the landing area contains such dangerous objects such as trees, fences, power lines, hills, canals, large bodies of water, buildings, rocks, holes, uneven terrain, clods, unpredictable wind conditions, and other natural and man-made objects that can cause injury to me upon landing. (_____) Furthermore, I understand the landing area is expected to be, or depending on the circumstances for the skydiving activities, may be, in the vicinity of an active aircraft taxi-way and runway, and If I land on or near aircraft that are running, taxiing, landing, or taking off, I assume the risk of injury or death upon landing. (_____) Even under the best of circumstances landing can be an extremely dangerous activity in which many injuries or death occurs. (_____) Based upon my independent evaluation of the risks involved, I REAFFIRM MY ASSUMPTION OF RISKS AND DANGERS OUTLINED IN THIS DOCUMENT. (____)

7. I certify that 1 have made adequate provision for those persons dependent upon me, and my heirs, if any, so that in the event of my injury or death they will have suffered no financial loss. (____)

8. It is specifically agreed that venue and jurisdiction for any legal action arising out of any matter, which is the subject of this document, shall be in the Superior Court of the State of California, County of Santa Barbara. (____)

9. If the court should decide that any clause in this contract is unenforceable or illegal, such determination shall not effect the validity of the remaining provisions, all of which shall remain in full force and effect.

10. I hereby certify that I do not suffer from any physical infirmity, previous injury, or chronic Illness that could effect my ability to safely engage in skydiving activities. (____) i am under treatment for

(if none, state none) and/or taking medication for _

(if none, state none) If you have any question how an injury, illness or medication might effect your ability to safely engage in skydiving activities, you must check with your doctor. (_____)

FURTHER, I CERTIFY THAT I HAVE NOT CONSUMED ALCOHOL AND/OR DRUGS IN THE PAST 12 HOURS, AND THAT I WILL NOT CONSUME ALCOHOL AND/OR DRUGS WHILE ENGAGING IN SKYDIVING ACTIVITIES. (____) WARNING; During the opening sequence of the canopy you decelerate from 120 mph to 10 mph in approximately 2 seconds. If you have skeletal problems, please check with your doctor as to the safety of your participation in this activity. (____)

2

11. SUMMARY: I recognize this agreement Is a contract pursuant to which I have released any and all parties from liability for any loss, either to my person or property, or from death, EVEN IF SUCH LOSS OR DEATH IS THE RESULT OF NEGLIGENCE, EITHER PASSIVE OR ACTIVE of any of the released parties, singly or collectively. Further, If I Institute a lawsuit or action at law against any or all of the released parties, I agree to pay reasonable attorney's fees and court costs to the prevailing party in any such action. This document will be used in court in the event of a lawsuit. I UNDERSTAND AGREEMENTS OF THIS TYPE HAVE BEEN UPHELD IN COURTS IN SIMILAR CIRCUMSTANCES.

I HAVE CAREFULLY READ THIS CONTRACT AND RELEASE OF LIABILITY. I FULLY UNDERSTAND ITS CONTENTS AND SIGN IT OF MY OWN FREE WILL. I CERTIFY THAT I DO NOT WEIGH MORE THAN ______ POUNDS. I CERTIFY THAT I AM 18 YEARS OF AGE OF OLDER. (____)

## Skydive Santa Barbara Refund Policy

## IF YOU DECIDE NOT TO JUMP AFTER YOU ARE IN THE AIRCRAFT AND RIDE THE PLANE DOWN, THEN THERE IS NO REFUND!!

If you decide not to make your jump and would like to try again, you can do so at the following additional costs:

Tandem 1	Video	AFP
\$99.00	\$40.00	\$90.00
	17 <u>-</u> 2	

For your Skydive video and/or pictures we will only guarantee free fall. Videos and photos will vary in content due to individual photographer styles and your Skydive. For various reasons, filming of landings cannot be guaranteed. If your video or pictures do not contain free fall, you will be offered a second Skydive same day at no charge. Depending on your situation we may also offer a partial or a full refund if a second jump is declined or cannot be made. (_____)

Skydive Santa Barbara LLC., reserves the right to use any video/pictures of Tandem skydives in advertising for Skydive Santa Barbara or promotional use for Skydive Santa Barbara. They will not be sold to third parties.

If weather conditions are not safe for you to make your skydive, any deposit you placed with your reservation may not be refunded due to weather. We will gladly schedule your skydive for another day at your convenience.

I have read and understand the Skydive Santa Barbara refund policy agreed to.

SIGNATURE	DATE	
	•	
WITNESS	DATE	

## UNINSURED UNITED PARACHUTE TECHNOLOGIES, LLC TANDEM PARACHUTE JUMPER AGREEMENT

This is an important legal document. Allow yourself sufficient time to carefully read and understand the entire document, because by signing it, you are agreeing to give up certain legal rights.

#### *Initial

In consideration of the Uninsured United Parachute Technologies, LLC, doing business as UPT Vector, and <u>Skydive Santa Barbara L.L.C.</u>, hereinafter referred to as "Corporation", allowing me the privilege of utilizing a dual-harness, dual container parachute pack assembly (also known as a "tandem parachute system"), designed, manufactured and/or assembled by the Uninsured United Parachute Technologies, LLC, d/b/a UPT Vector, for the purpose of performing an intentional parachute jump, I agree that:

#### *Initial

1) Representations, Warranties, & Assumptions of Risk: 1 understand that parachute jumping will expose me to the risk of personal injury, property damage and/or death. I understand that the success of my jump is dependent upon the perfect functioning of the airplane from which I intend to jump and the parachute system, and that neither the airplane nor the parachute system can be guaranteed to function perfectly. I understand that the airplane and the parachute system are both subject to mechanical malfunctions as well as operator error. I freely, voluntarily and expressly choose to assume all risks inherent in parachute jumping, including, but not limited to, risks of equipment malfunction and/or failure to function, including those which may result from some defect in design, assembly, and/or manufacture as well as those risks arising from improper an/or negligent operation and/ or use of the equipment, for and in consideration of the thrill of participation in this activity, understanding full well that those risks may include personal injury, property damage, and/or death.

#### *Initial

2) Exemption and Release from Liability: I exempt and release the following persons and organizations:

#### *Initial

(A) The Corporations and their officers, directors, agents, servants, employees, shareholders, and other representatives;

#### *Initial

(B) Manufacturers, designers, and suppliers of component equipment incorporated in the dual-harness, dual-container parachute pack assembly to which I will be attached during my intentional parachute jump;

#### *Initial

**(C)** Owners, suppliers, and operators of aircraft from which I am to make my intentional parachute jump;

#### *Initial

(D) The owner of the dual-harness, dual-container parachute pack assembly, and any of its components, to which I will be attached during my intentional parachute jump;

#### *Initial

(E) The operator ("parachutist in command") of the dualharness, dual-container parachute pack assembly to which I will be attached during my intentional parachute jump;

*Initial

(F) If I am making my intentional parachute jump at or near a parachuting/skydiving facility, the owners and operators of that facility, as well as their officers, directors, agents, servants, employees, shareholders, and other representatives;

#### *Initial

(G) The owners and lessees, if any, of land upon and from which the parachute jumping and related aircraft operations are conducted; and

#### *Initial

(H) The Toll-Free Skydiving Network, Inc., Uninsured (800) Skydive Leasing Corp., Uninsured (888) Skydive Leasing Corp., Uninsured (877) Skydive Leasing Corp., 1-800 FREEFALL, and any and all other skydiving referral service business entities, and/or owners of fictitious name entities which I may have used in locating and/or deciding upon a parachuting/skydiving facility or other location at which to perform an intentional parachute jump.

#### *Initial

(I) Any other person and/or organization which is or may be liable for any loss or injury to me and or my property, or my death, arising out of my participation in any of the activities covered by this Agreement (as defined below);

*Initial

From any and all liability, claims, demands or actions or causes of action whatsoever arising out of any damage, loss or injury to me or my property, or my death, whether occurring while I am training and/or preparing for my intentional parachute jump, while I am present in aircraft from which the jump is to be made, while I am making my intentional parachute jump, or while I am engaged in related activities (hereafter referred to as "activities covered by this Agreement"), whether such loss, damage, injury, or death results from the negligence and/or other fault, either active or passive of any of the persons and/or organizations described in paragraphs 2(A)-(I) above, or from any other cause.

## *Initial

3) Covenant Not to Sue: I agree never to institute any suit or action at law or otherwise against any of the organizations and/ or persons described in paragraph 2(A) through (I) above, or to initiate or assist in the prosecution of any claim for damages or cause of action which I may have by reason of injury to my person or property, or my death, arising from the activities covered by this Agreement, whether caused by the negligence and/or fault, either active or passive, of any of the organizations and/or persons described in paragraph 2(A) through (I) above, or from any other cause. I further expressly agree that I will never raise any claim against any of the organizations and/or persons described in paragraph 2(A) through (I) above for product liability, failure to warn, negligence, breach of warranty, breach of contract, or strict liability, regardless of whether my claims for damages or injuries are alleged to result from the fault or negligence of the parties released. I further agree that my heirs, executors, administrators, personal representatives, and/or anyone else claiming on my behalf, shall not institute any suit or action at law or otherwise against any of the organizations and/or persons described in paragraph 2(A)

through (I) above, nor shall they initiate or assist the prosecution of any claim for damages of cause of action which I, my heirs, executors, administrators, personal representatives, and/or anyone else claiming on my behalf may have by reason of injury to my person or property, or my death arises from the activities covered by this Agreement, whether caused by the negligence an/or fault, eitheractive or passive, of any of the organizations and/or persons described in paragraph 2(A) through (I) above, or from any other cause, I hereby so instruct my heirs, executors, administrators, personal representatives, and/or anyone else claiming on my behalf. Should any suit or action at law or otherwise be instituted in violation of this Agreement against any of the organizations and/or persons described in paragraph 2(A) through (I) above, I agree that such organizations and/or persons shall be entitled to recover, in addition to any other damages which may be incurred, reasonable attorneys' fees and costs incurred in defense of such suit or action, including any appeals therefrom.

#### *Initial

4) Indemnity Against Claims: I will indemnify, defend, save and hold harmless the organizations and/or persons described in paragraph 2(A) through (I) above from any and all losses, claims, actions or proceedings of every kind and character, including attorneys' fees and expenses, which may be presented or initiated by any persons and/or organizations and which arise directly or indirectly from my participation in the activities covered by the Agreement, whether resulting from the negligence and/or other fault, either active or passive, or any of the organizations and/or persons described in paragraph 2(A) through (I) above, or from any other cause.

#### *Initial

5) Validity of Waiver: I understand that if I institute or anyone on my behalf institutes, any suit or action at law or any claim for damages or cause of action against any of the organizations and/or persons described in paragraph 2(A) through (I) above because of injury to my person or property, or my death, due to the activities covered by this Agreement, this Agreement can and will be used in court, and that such agreements have been upheld in courts in similar circumstances.

#### *Initial

6) Representations and Warranties as to Medical Condition: I represent and warrant that (a) I have no physical infirmity, except those listed below, am not under treatment for any other physical infirmity or chronic ailment or injury of any nature, and have never been treated for any other of the following: cardiac or pulmonary conditions or diseases, diabetes, fainting spells or convulsions, nervous disorder, kidney or related diseases, high or low blood pressure; (b) I am not under any medication of any kind at the present time; and (c) I do/do not (strike one) wear corrective lenses. If I am prescribed corrective lenses, I agree to wear them during my intentional parachute jump.

(list infirmities, if not, state "none")

#### *Initial

7) Waiver of Jury Trial/Applicable Law/Venue/Headings: I agree that the law of the State of Florida shall apply to issues involving the construction, interpretation, and validity of this Agreement, and that Florida law shall govern any dispute between the parties arising from the activities covered by this Agreement. In the event this Agreement is violated and suit is brought against any of the organizations and/or persons described in paragraph 2(A) through (I) above, I waive my right to a jury trial, and agree that Volusia County, Florida shall be the sole venue for any suit or action arising from the activities covered by this Agreement. I agree that the headings and sub-headings used throughout this Agreement are for convenience only and have no significance in the interpretation of the body of this Agreement.

#### *Initial

8) Severability/Multiple Waivers: I agree that should one or more provisions in this Agreement be judicially determined to be unenforceable, the remaining provisions shall continue to be binding and enforceable against me. If I have executed any other agreement containing provisions relating to the exemption and/or release from liability and/or covenant not to sue in connection with the activities covered by this Agreement, I agree that the agreement which provides the most protection from liability and/or suit to the Uninsured United Parachute Technologies, LLC, d/b/a UPT Vector shall be enforceable against me by the Uninsured United Parachute Technologies, LLC,. d/b/a UPT Vector.

#### *Initial

9) Continuation of Obligations: I agree and acknowledge that the terms and conditions of this Agreement shall continue in force and effect now and in the future at all times during which I participate in the activities covered by this Agreement, and shall be binding upon my heirs, executors, administrators, personal representatives, and/or anyone else claiming on my behalf. This Agreement supersedes and replaces any prior such agreement I have signed.

**10)** Viewing of Videotape: I have viewed and I warrant that I fully understand the accompanying "Tandem Vector Waiver" video tape.

*Initial

I freely and voluntarily agree to all of the above by signing this

contract on the _____day of ______ (day) (month and year) at ___**Lompoc, CA** 

(location)

#### JUMPER: (Please Print Neatly)

Telephone #: ______

#### Witness:

*Please read each paragraph carefully. Your initial indicates you understand and agree to all of the information and terms contained therein.

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

March 11, 2019

TO: Presiding Officers of Independent Special Districts

Subject: Ballot for one Regular and one Alternate Special District Member to Santa Barbara LAFCO

# BALLOTS FOR ONE LAFCO REGULAR AND ONE ALTERNATE SPECIAL DISTRICT MEMBER

As a result of the November 6, 2018 General Election, there are two Special District vacancies on the Commission. Based on past experience, the LAFCO Executive Officer has determined that a meeting of the Special District Selection Committee is not feasible and will conduct the business of the committee by mail. Two Ballots are attached to this notice.

- <u>Ballots for the one LAFCO Regular and one Alternate Special District Member</u>. There
  is currently one vacancy for the Regular Special District Member and one vacancy for the
  Alternate Special District Member. The terms of office end on March 1, 2022 and March
  1, 2020, respectively.
- 2) <u>Voting Requirements</u>: The Special District Selection Committee, comprised of the presiding officers, or designee, of the 38 independent special districts in Santa Barbara County, needs to elect one Regular and one Alternate LAFCO Special District member.
- 3) <u>Nomination Period</u>: The nomination period, ended on February 28, 2019. Seven nominations for the Regular Special District Member and three Alternate Special District Member, were submitted before the end of the nomination period. One person was nominated for both the Regular and Alternate member vacancy. The list of candidates and their statements, if submitted, are attached to this notice as <u>Exhibit A & Exhibit B</u>.
- 4) <u>Voting Period</u> Attached you will find two ballots, one for the Regular and one for the Alternate Special District member, containing the names of qualified nominees. Mailed ballots will also include voting instructions to each eligible district. <u>The voting period</u> <u>will be 60-days and will end on May 10, 2019 at 5:00 pm</u>. This will be followed by the tabulation of votes and the election of the top vote getters to the vacant seats. During the interim, LAFCO will operate with only one Regular Special District Member.

Local Agency Formation Commission March 11, 2019 Page two

**Voting Process:** The Presiding Officer of each Independent Special District is authorized to vote for one Regular Special District Member and one Alternate Special District Member. The legislative body of the district shall authorize the presiding officer, or his or her designee as designated by the governing of the eligible district, to sign the ballot. For an election to be valid, at least a quorum of the special districts must submit valid ballots. A quorum is 19 or more of the 38 independent special districts.

## <u>Call for Ballots for one LAFCO Regular Special District Member and one Alternate Special</u> <u>District Member:</u>

Completed ballots, one Regular Special District Member and one the Alternate Special District Member, should be submitted to the LAFCO Executive Officer, at the following address, faxed, or emailed <u>no later than 5:00 pm, Friday</u>, May 10, 2019. Ballots are attached to this notice.

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street, Rm 407, Santa Barbara CA 93101 FAX 805/568-2249 Email Address: lafco@sblafco.org

## Exhibits:

Exhibit A LAFCO Regular Special District Member Candidates & StatementsExhibit B LAFCO Alternate Special District Member Candidates & Statements

Please contact the LAFCO office if you have any questions.

Sincerely,

Paul Hood

PAUL HOOD Executive Officer

## **OFFICIAL BALLOT**

Election of Regular Special District Member on Santa Barbara LAFCO

Vote for <u>one</u> of the following **Regular Special District Member** nominees:

Cindy Allen – Santa Ynez River Water Conservation District
Jay Freeman – Isla Vista Community Services District
Myron Heavin - Mission Hills Community Services District
Judith Ishkanian – Montecito Fire District
Karen Jones - Santa Ynez Community Services District
Deborah Murphy – Carpinteria Sanitary District
David Novis – Summerland Sanitary District

Name of Independent Special District

Signature of Voting Delegate

## INDEPENDENT SPECIAL DISTRICTS SELECTION COMMITTEE Submit No Later than 5:00 pm, May 10, 2019

## **OFFICIAL BALLOT**

Election of Alternate Special District Member on Santa Barbara LAFCO

Vote for <u>one</u> of the following Alternate Special District Member nominees:

Cindy Allen – Santa Ynez River Water Conservation District
David Beard – Santa Ynez Community Services District
Spencer Brandt – Isla Vista Community Services District

Name of Independent Special District

Signature of Voting Delegate

Print Name of Voting Delegate

	A REAL PROPERTY AND A REAL PROPERTY.	
NOMINATION FOR <u>REGULAR</u> 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		
NAME OF NOMINEE: Cynthia Allen	NAME OF DISTRICT: Santa Ynez River Water Conservation District	
MAILING ADDRESS: 1217 Aster Lane Lompoc, CA 93436	TELEPHONE:         Home:       805-736-2349         Bus:       805-733-3417         Cell:       805-570-0089         Fax:       805-733-2109	
ADDITIONAL INFORMATION: On this form <u>or</u> an accompany personal interests, qualifications, experience, education, volunteer a memberships that may bear on the nomination for Special District distributed to all independent special districts. Cynthia has been employed by Vandenberg Village Community Services I worked her way up from an entry level position to Administrative Service General Manager. In 2014, she completed her Ph.D. in Public Policy and entitles "A Quantitative Analysis of the Effect of Cash-4-Grass Programs appointed to the Santa Ynez River Water Conservation District Board of board president since March 2016. In her free time, Cynthia is an officer in the Rancho Purisima Chapte Revolution, a board member for the non-profit Companion Animal Placer volunteer at the La PAWS Animal Shelter in Lompoc.	ctivities or community organization Member: This information will be District (VVCSD) for 25 years and has ces Manager, reporting directly to the d Administration. Her dissertation is s on Water Consumption." She was Directors in April 2015 and has been r of the Daughters of the American	
Nominated by Motion	n and Vote of the Santa Ynez River Water Board (5-0-0) on January 23, 2019.	

NOMINATION FOR <u>REGULAR</u> SPECIAL DISTRICT MEMBER <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: Special District Member			
NAME OF NOMINEE: Jay Freeman	NAME OF DISTRICT: Isla Viston Community Services District		
MAILING ADDRESS: 6533 El Greco Road #A Isla Vista, CA 93112	TELEPHONE: Home: Bus: Cell: <u>(805) 895-720</u> 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.			
In The	2019 FEB 28 PN 1: 02 COUNTY OF SAN A BARDAD COUNTY OF SAN A BARDAD SOLAD OF SAFETARDAS		
SIGNATURE OF NOMINATOR/NAME OF SPECIAL DISTRICT:			

Santa Barbara LAFCO Independent Special District Selection Committee,

Hello! My name is Jay Freeman and I am on the board of the Isla Vista Community Services District. I hereby express my intention to run for the position of Regular Special District Member.

I moved to Santa Barbara County in 1999, living in what later became Goleta until 2015 before moving to Isla Vista (where I live presently). I attended UCSB, graduating with a B.S. in Creative Studies with an emphasis in Computer Science. I continued with five years in UCSB's College of Engineering working on a Ph.D. in Computer Science before deciding to leave early to start my own company and develop Cydia, an alternative store for iOS that had tens of millions of users.

Continuing to live within walking distance of the University, I became involved in the efforts to establish a new government in Isla Vista, causing me to spend copious time researching the past efforts at incorporation, tracing through the archives of LAFCO, and eventually leading me to co-fund a financial feasibility study to explore governmental options for the area; this gave me eclectic background knowledge on the processes and procedures of this fascinating meta-entity.

In 2014, I began attending meetings of LAFCO, a habit I continued into 2016. During this time, I noticed a striking similarity amongst the experiences of the various unincorporated parts of Santa Barbara County; I'd always assumed Isla Vista's issues with the County were specific to Isla Vista, yet I saw similar patterns emerge in areas like Vandenberg Village and Santa Ynez.

Upon this realization, in 2016 I ran for 3rd District County Supervisor. My platform focussed on local control, stating an intention to fight to establish Municipal Advisory Councils in many of the key unincorporated areas of the County, as well as to work more closely with special districts as I had spoken with a number that felt that they were only tenuously connected with the County.

In the two years since, I have served on the board of the Isla Vista Community Services District, expanding my experience in practical local governmental affairs, and was recently appointed to the Goleta Valley Library Advisory Commission. I have occasionally attended local meetings of the SBCCSDA, regularly attend meetings of a handful of other special districts (including two in the Santa Ynez valley) while also randomly attending meetings of other varied special districts, and keep an eye focussed on what is being discussed at LAFCO and the Board of Supervisors.

In addition to this stated background, I have a specific interest in maps and aerial photography, and have built my own GIS systems to explore boundaries within the County of Santa Barbara.

I hope you believe, as do I, that I am a viable and useful candidate for this position, and thank you for taking the time to read this letter. I hope to also see many of you in person this month.

Sincerely, Jay Freeman (saurik) saurik@saurik.com

NOMINATION FOR <u>REGULAR</u> 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		
NAME OF NOMINEE: Myron Heaven	NAME OF DISTRICT: Mission Hills C.S.TD.	
MAILING ADDRESS: 1550 = Buston Masz Blue Lompoc, GA 93436-2100	TELEPHONE: Home: Bus: Cell: <u>714.600.2698</u> 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. I am a graduate of Purdue University with a BS degree in Aeronautical Engineering and retired from Boeing after 50 years as an Aerospace Engineer. I worked in a Boeing Company called "Phantom Works" where I worked on advanced engineering concepts, especially cost-cutting proposals dealing with using computer graphics to increase engineering efficiencies. I am also active in the Santa Ynez Gleaning Organization, the California Rare Fruit Growers Association, and the Santa Maria Orchard Society, and also tends a small home orchard. I continue to be an active member of the Vandenberg Village Rotary Club and a past president. I have published two books, and have lived in the Lompoc area along with my wife for over eight years.		
SIGNATURE OF NOMINATOR/NAME OF SPECIAL DISTRICT:	Hurs S.S.D.	

NOMINATION FOR <u>REGULAR</u> 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 typ	2	
POSITION SOUGHT: Special District Member		
NAME OF NOMINEE:	NAME OF DISTRICT:	
Judith Ishkanian	Montecito Fire Protection District	
MAILING ADDRESS: <u>1480 San Leandro Park Road</u> Santa Barbara, CA 93108	TELEPHONE:         Home: $(Bos^-)$ 969-6020         Bus:         Cell:         (Bos)         680-54/2         Fax:	
ADDITIONAL INFORMATION: On this form <u>or</u> an accompany personal interests, qualifications, experience, education, volunteer a memberships that may bear on the nomination for Special District distributed to all independent special districts. Please see attached.	ctivities or community organization	
SIGNATURE OF NOMINATOR/NAME OF SPECIAL DISTRICT:		
Ling Cortan		

2/VIQ COSTON Monteuito Fire Protection District

#### Judith Ishkanian, Ph.D

#### Statement of Interest

#### Voting Commissioner, Santa Barbara County LAFCO

On January 28, 2019, I received an appointment to the Montecito Fire District Board of Directors. Previously, I served on the Montecito Sanitary District Board of Directors from 2006 to 2018, having been President of the Board four times. I have served on the SBC CSDA Board of Directors for eight years, and was President in 2016, I was the Alternate Commissioner for LAFCO in 2017 and a voting Commissioner in 2018.

I am dedicated to service in this community, and I would be very honored to complete my term on LAFCO. The position will remain open until March, 2019, and I am a candidate to be re-elected to finish my term to 2022. SBC LAFCO is the culmination of all the experience I have acquired in service to local government boards. All of these associations working together protects them all, and SBC LAFCO oversees the process of healthy local governments.

### RESUME

Judith M. Ishkanian, Ph.D 1480 San Leandro Park road Santa Barbara CA 93108

Other: P.O. Box 5121 Santa Barbara CA 93150

Phone: 805-969-6020 cell: 805-680-5412

drish@aol.com

#### **EDUCATION**

Ph.D, History, 1993 University of California, Santa Barbara

### WORK AND/OR VOLUNTEER EXPERIENCE

1988-1998 and 2003 Adjunct Professor of History University of California, Santa Barbara And Santa Barbara City College

2003-2015 President and Co-Founder 2005-2015 Neighborhood Defense League of Santa Barbara

2006-2018 Montecito Sanitary District

2011-2018 Board of Directors Santa Barbara Special Districts Association (SBC CSDA)

2017 Alternate Commissioner Santa Barbara County LAFCO 2018 Voting Commissioner Santa Barbara County LAFCO

2019 Director Montecito Fire Protection District

### **REFERENCES**

Diane Gabriel, General Manager Montecito Sanitary District 1041 Monte Cristo Lane Santa Barbara CA 93108 Phone: 805 969 4200 e mail: dgabriel@montsan.org

Warner Owens 244 Hot Springs Road Santa Barbara CA 93108 Phone: 805-969-2906 e mail: warnerbowens@gmail.com

Paul Hood, Executive Director Santa Barbara County LAFCO 105 E. Anapamu Street Santa Barbara CA 93101 Phone: 805-568-3391 e mail: hood.paul@sbcglobal.net

George Emerson, President Board of Directors Goleta Sanitary District 1 Moffet Place Goleta CA 93017 Phone: 805-967-7019 e mail: gweson@gmail.com

Next page

John McInnes, General Manager Goleta Water District 4699 Hollister Goleta CA 93017 Phone: 805-450-6603

Mr. Pedro Nava, Chair Little Hoover Commission 925 L Street, Suite 805 Sacramento CA 95814 Phone: 916-455-2125

Mr. Katcho Achadjian Recently Retired California State Assembly, three Terms San Luis Obispo County 222 E. Grand Avenue Arroyo Grande CA 93420 e mail: katchoman@yahoo.com

Mr. Ron Cortez Vice-Chancellor, Administration and Business Services University of California, Irvine Phone: 949-824-0220 e mail: recortez@uci.edu Local Santa Barbara Phone: 805-729-3731  $\left(\begin{array}{c} & \\ & \end{array}\right)$ 

 $\left( \begin{array}{c} \\ \\ \end{array} \right)$ 

# SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

NOMINATION FOR <u>REGULAR</u> 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		
NAME OF NOMINEE:	NAME OF DISTRICT:	
Haren Jones	SK. CSD	
MAILING ADDRESS:	TELEPHONE:	
Santa forez, CA 934160	Home: <u>805' 688.778 (</u> Bus: Cell: <u>805 2<b>45-0238</b></u> Fax:	
ADDITIONAL INFORMATION: On this form of 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. Lifetime interest in Cluics. My facture & mother recised us to take an active part in our community. My interest in LAFCO was inspired by my facture serving on the Kenne Commy LAFCO, eventually baloneing chairmant. Marrying a man who is a multiple generation my desire to perficipate in responsible development of this special place I now call home. My childrent services a grandmildored live hore. The beauty must be that interest SIGNATURE OF NOMINATORNAME OF SPECIAL DISTRICT:		

NOMINATION FOR <u>REGULAR</u> 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		
NAME OF NOMINEE: DEBORAH VMURPHY	NAME OF DISTRICT: <u>LARPINTERIA</u> SANITARY DISTRICT	
6300 SIXTH STREET CARPINTERIA, CA 93013	TELEPHONE: Home: Bus: <u>805.684.7214</u> Cell: Fax:	
ADDITIONAL INFORMATION: On this form <u>or</u> an accompany personal interests, qualifications, experience, education, volunteer act memberships that may bear on the nomination for Special District M distributed to all independent special districts. SEE ATTACHED.	ivities or community organization fember: This information will be	

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j.

# Debbie Murphy Carpinteria Sanitary District

Though I am a fairly new director on the Carpinteria Sanitary District Board, I am not new to community work. I was honored when the CSD board invited me to apply for the LAFCO board seat.

As a Real Estate Broker since 1979, I have a good understanding of issues regarding real property and boundaries.

As a community volunteer, I have always participated in organizing events. I was a founding member of the California Avocado Festival in Carpinteria. I lead that initiative for 17 years from a concept to an effective organization that 30+ years later is still considered one of the best festivals in California.

I have been a Rotarian with the Carpinteria Morning Rotary club for over 12 years having served in all club positions including President. Being a member of the club has taken me to several other countries where I have participated in projects including assisting small villages in Mexico with having safe water for their communities and in India assisting with promoting immunizations to end Polio.

In addition, I was co-founder of the Carpinteria Farmer's Market, served on the building council of the Carpinteria Lion's Club, authored a column in the Coastal View for a year that brought awareness to our Franklin Trail, volunteer with Los Padres Forest Association to assist with fundraising for trails and trail maintenance, served as president of the Carpinteria Chamber of Commerce and board member and honored to be a recipient of the Carpinterian of the Year award.

I am a collaborator with everyone I serve with on committees or organizations. I ask how something can be moved forward and implemented when the consensus is to do so. I work to empower those around me so that work can be accomplished.

If elected to the LAFCO seat, you can count on me to be an effective board member who works effectively on behalf of the County of Santa Barbara.

NOMINATION FOR <u>REGULAR</u> 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	
NAME OF NOMINEE:	NAME OF DISTRICT:
David Novis	Summerland Sanitary District
MAILING ADDRESS: P.O. Box 417 Summerland, CA 93067	TELEPHONE: Home: Bus:805 969 - <b>3</b> 44 Cell: Fax:805-969-5794
ADDITIONAL INFORMATION: On this form <u>or</u> an accompany personal interests, qualifications, experience, education, volunteer ac memberships that may bear on the nomination for Special District distributed to all independent special districts. See attached information sheet	ctivities or community organization
SIGNATURE OF NOMINATOR/NAME OF SPECIAL DISTRICT:	merland Sanitary District

#### **David Novis**

#### **Summerland Sanitary District**

I have lived in Santa Barbara County since 1982. I built my house in Summerland in 1988. I have been a board member of Summerland Sanitary District since 2011.

I have a BA in English from the University of Connecticut in 1960 and a MBA in Marketing from City College of New York in 1966. After serving in the military, I was an advertising salesman in NYC for various magazines. I bought my first newspaper in 1975 in Princeton NJ and sold it in 1980.

I moved to Santa Barbara County in 1982 to take over a Goleta newspaper and its printing operation. Sold the newspaper called the Goleta Sun in 1988. Started a new newspaper in 1993 called the Goleta Valley Voice in 1997. I retired in the same year 1997 from newspaper publishing.

While running the two Goleta newspapers I was on the board for the Goleta Valley Chamber of Commerce as well as the UCSB foundation. In addition, I worked with Bob Braitman the former Executive Director of Santa Barbara LAFCO during those years as Goleta attempted three times to incorporate. Also, I covered news of Goleta Water, Goleta Sanitary and Isla Vista West Districts so I have full knowledge of how LAFO works with special districts as well as incorporating towns such as Solvang, Buellton and eventually Goleta.

I have volunteered for the Santa Barbara Advisory Committee for mental health and alcohol and drug problems as well as for the Santa Barbara County libraries.

I'm currently on the board for the Santa Barbara YMCA on Hitchcock serving in various capacities, including overseeing the Haley Street YMCA.

I have the unique experience of being an entrepreneur as well as working well with other people and organizations to provide end results for various projects.

NOMINATION FOR <u>ALTERNATE</u> SPECIAL DISTRICT <u>MEMBER</u> <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: Alternate Special District Member			
NAME OF NOMINEE:	NAME OF DISTRICT:		
Cynthia Allen	Santa Ynez River Water		
	Conservation District		
MAILING ADDRESS:	TELEPHONE:		
1217 Aster Lane	Home: <u>805-736-2349</u>		
	805-733-3417 Bus:		
Lompoc, CA 93436	Cell: <u>805-570-0089</u>		
·	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 the Alternate Special District Member: This information will be distributed to all independent special districts. Cynthia has been employed by Vandenberg Village Community Services District (VVCSD) for 25 years and has worked her way up from an entry level position to Administrative Services Manager, reporting directly to the General Manager. In 2014, she completed her Ph.D. in Public Policy and Administration. Her dissertation is entitles "A Quantitative Analysis of the Effect of Cash-4-Grass Programs on Water Consumption." She was appointed to the Santa Ynez River Water Conservation District Board of Directors in April 2015 and has been board president since March 2016.			
SIGNATURE OF NOMINATOR/NAME OF SPECIAL DISTRICT: Nominated by Motion and Vote of the Santa Ynez River Water Conservation District Board (5-0-0) on January 23, 2019. William J. Buelow, Secretary			

( )

NOMINATION FOR <u>ALTERNATE</u> SPECIAL DISTRICT <u>MEMBER</u> <i>Return to</i> : Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 Or FAX to 568-2249 Please print in ink or type	LAFCO STAFF USE Date Received:
POSITION SOUGHT: Alternate Special District Member	
NAME OF NOMINEE: DAVID P BRAID	NAME OF DISTRICT:
	TELEPHONE: Home: $\underline{- 8 = 3 - 1381}$ Bus: $\underline{- 8 = 5 - 29 - 381}$ Cell: $\underline{8 = 5 - 729 - 381}$ Fax:
ADDITIONAL INFORMATION: On this form <u>or</u> an accompany personal interests, qualifications, experience, education, volunteer ac memberships that may bear on the nomination for the Alternate information will be distributed to all independent special districts.	tivities or community organization
SIGNATURE OF NOMINATORANAME OF SPECIAL DISTRICT:	

NOMINATION FOR <u>ALTERNATE</u> 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: Alternate Special District Member		
NAME OF NOMINEE: Spencer Brandt	NAME OF DISTRICT: Isla Vista Community Services Distr	-ict
MAILING ADDRESS: 6829 Sabado Tarde Rd Isla Vista CA 93117	TELEPHONE:         Home:         Bus:         Cell:       (559)       805-0733         Fax:	
ADDITIONAL INFORMATION: On this form <u>or</u> an accompany personal interests, qualifications, experience, education, volunteer ac memberships that may bear on the nomination for the Alternate information will be distributed to all independent special districts.	ctivities or community organization	
SIGNATURE OF NOMINATOR/NAME OF SPECIAL DISTRICT:		Ą

## Spencer Brandt ivcsd@spencerbrandt.com (559) 805-0733

Greetings nominating officers,

I am honored to have been nominated by my colleagues to serve as the Alternate Commissioner representing Special Districts on the Santa Barbara County LAFCO. My name is Spencer Brandt, and I currently serve as President of the Isla Vista Community Services District. During my time on the inaugural Board of Directors, our District has formed and begun to provide services that range from additional law enforcement to community facilities management.

As the smallest unit of government in California, special districts are uniquely situated to provide quality services and are uniquely in-touch with the needs of their communities. It is important to me that LAFCO takes into account the unique circumstances and needs that districts and our communities have. As Alternate Commissioner, I want to be a bridge between district boards, your staff, and LAFCO in order to advocate for your needs when it comes to sphere of influence updates, annexations, and municipal service reviews.

Our agricultural resources are a tremendous asset to our region's economy, environment, and quality of life. I am a believer in smart growth policies that promote infill development, and preserve our prime agricultural land. As LAFCO's Ad Hoc Committee on Agricultural Policies prepares updates to existing agricultural policies, it will be very important to strike a balance that allows for growth and conservation.

I look forward to speaking more with each of you regarding my nomination.

Sincerely,

Spencer Brandt President, Isla Vista Community Services District

## Judith Ishkanian, Ph.D Director, Montecito Fire Protection District P.O. Box 5121 Santa Barbara CA 93150

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

### March 18, 2019

Dear Directors,

By now, you have received the mail-in ballot to elect Commissioners to SBC LAFCO. Please vote for me, Judith Ishkanian, Director, Montecito Fire Protection District, for voting Commissioner. Why should you choose me from the long list?

1. Through the Special Districts Associations, I am very familiar with Santa Maria Public Airport District. I have toured the facility twice and attended meetings there. I know Hugh Rafferty, Chris Hastert and Veroneka Reade very well, and I invite them to attest to my record of service to Special Districts and LAFCO.

- 2. I am the only candidate who has served as Alternate Commissioner, 2017, and Commissioner, 2018. I have knowledge and experience at LAFCO.
- 3. I have been involved with Special Districts for 13 years, first as a director of the Montecito Sanitary District and now, since January, I am serving as a Director of the Montecito Fire Protection District, a nationally recognized Fire District. (See stamp on your envelope. Last fall, this stamp was inaugurated by the USPS at our fire station)
- 4. For thirteen years I have regularly attended SBC CSDA Chapter meetings. Eight of those years I served on the Board of Directors, including a year as President in 2016. I have visited many special districts, I know how vulnerable districts can be to Land Use policy, borders, jurisdiction.
- 5. I am comfortable with the requirements of voluminous reading and study. (see my resume in the LAFCO packet)

Thank-you for your consideration. I know the President, or delegated director, can vote in this election before the LAFCO deadline, even before your next Board meeting.

Gudit Ashkanian

Judith Ishkanian, Candidate for LAFCO Commissioner



PUBLIC AIRPORT DISTRICT

www.SantaMariaAirport.com

Agenda Item 10 4/25/2019

04/25/19

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

**Subject:** Authorization for two staff members and one director to attend the FAA Western-Pacific Region 10th Airports Conference to be held June 4-6, 2019 in Torrance, CA.

#### **Summary**

The FAA Western-Pacific Region Airports Conference will provide information regarding airport safety, sustainability, and efficiency. Important new regulations and issues will be discussed and staff will be able to establish contact with the individuals the District coordinates with at the FAA.

#### Budget

		Attendees	Days	Rate	Total
Hotel:	Hotel stay	3	3	\$226.87	\$2,041.83
Meals:	Meals	3	4	\$60.00	\$720.00
Transportation:	Ground	3		\$192.33	\$576.99
Fees:	Registration	3		\$0.00	\$0.00
	Total:				\$3,338.82

### **Overall Impact:**

Approved 2018-2019 Budget for Business Travel	\$56,618.00
Previously Approved Business Travel	\$59,317.85
Current Balance for Business Travel	(\$2,699.85)
Amount of this Request	\$3,338.82
Balance Remaining if Approved	(\$6,038.67)

### **Recommendation**

Staff recommends the board authorize this travel to provide important contacts and information to the District.

Please let me know if you have any questions:

Sincerely,

vis the

Chris Hastert, CM General Manager

## GROUND LEASE

### Between

## SANTA MARIA PUBLIC AIRPORT DISTRICT

And

G3, LLC a California limited liability company

### GROUND LEASE

THIS GROUND LEASE (the "Lease"), dated April 25, 2019 (the "Effective Date,") 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 G3, LLC, a California limited liability company (herein called "G3" or "Lessee").

### Recitals

A. The District and G3 entered into a Memorandum of Understanding ("**MOU**") dated May 31, 2018, regarding approximately 28 acres, located on parcels 85 through 89 and Detention Basin #9 of the Santa Maria Airport Business Park, Santa Maria, California, a portion of Assessor's Parcel Number: 111-231-11, as shown in the map attached hereto as <u>Exhibit A</u> (the "**Property**").

B. G3 desires to develop and construct a commercial facility (the "**Project**") on that portion of the Property more particularly described in attached <u>Exhibit B</u>, and the District desires to lease a portion of the Property to G3 for purposes of the Project.

C. G3 further desires to receive from District, and the District desires to grant to G3, a right of first refusal/option to lease (the "**ROFR/Option**") all or a portion of the remaining Property (the "**ROFR/Option Property**") under one or more long term ground leases for future commercial development by G3 or its subtenants (the "**Additional Development**").

D. To develop and construct the Project and the Additional Development, the Leased Property and the ROFR/Option Property will need to be rezoned.

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. <u>Leased Property</u>. 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"), comprising approximately five (5) acres (the "Estimated Rentable Area") of the Santa Maria Airport Business park, Santa Maria, California, a portion of Assessor's Parcel Number: 111-231-11, as legally described in the attached <u>Exhibit B</u> and shown in the map attached hereto as <u>Exhibit B1</u> (the "Leased Property") attached hereto and incorporated by this reference, subject to all existing and future easements, rights, encumbrances, rights-of-way, and matters of record.

a. The final Rentable Area of the Leased Property shall be determined and certified to District and Lessee in writing (the "**Square Footage Certificate**") by District's surveyor for the Leased Property and delivered to Lessee on or before the Commencement Date (as hereinafter defined). Within fifteen (15) days of Lessee's receipt of the Square Footage Certificate, Lessee shall have the right to have the Rentable Area of the Leased Property measured by a surveyor reasonably satisfactory to District. If the Rentable Area of the Leased Property, as determined by Lessee's

surveyor differs from the amount set forth in the Square Footage Certificate, Lessee shall notify District of such difference in writing. District shall have the right upon written notice to Lessee to dispute said surveyor's determination, in which case District's and Lessee's surveyors shall, within ten (10) days after such written notice, mutually identify a third independent, qualified surveyor licensed in the State of California, and shall notify District and Lessee of the name, address and telephone number of such third surveyor. Within ten (10) days from the selection of the third surveyor, the three (3) surveyors shall collectively determine the Rentable Area of the Leased Property and deliver their written determination thereof to District and Lessee, with the decision of two (2) of the three (3) surveyors controlling. Each party shall bear the cost of the surveyor selected by it, and the parties shall equally share the cost of the third surveyor selected as aforesaid. The determination of the three (3) surveyors (or 2 out of the 3) shall be final and binding upon District and Lessee as to the Rentable Area of the Leased Property. If the Rentable Area of the Leased Property, as set forth in the Square Footage Certificate, or as otherwise determined in accordance with the terms herein, differs from the amount set forth in this Section 1, District and Lessee shall enter into an amendment to this Lease, pursuant to which the Fixed Rent shall be adjusted, using the rental rates per square foot set forth in Section 4(a)(ii) below, to reflect the revised determination of the Rentable Area of the Leased Property. If Lessee does not elect to have the Leased Property remeasured in accordance with this Section 1, then the Rentable Area of the Leased Property shall be deemed to be as set forth in the Square Footage Certificate.

b. <u>ROFR/Option Property</u>. During the five (5) year period after the Commencement Date, G3 shall have the option to lease the ROFR/Option Property on terms and conditions set forth in the ROFR/Option Agreement attached hereto as <u>Exhibit C</u>, and thereafter a right of first refusal with respect to the ROFR/Option Property for a period of ten (10) years.

2. Lease Term.

a. <u>Initial Lease Term</u>. The term of this Lease shall be for a thirty (30) year period commencing January 1, 2020 ("**Commencement Date**"), and expiring, unless sooner terminated as hereinafter provided, at midnight thirty (30) years later on December 31, 2050 (herein referred to as the "**Initial Lease Term**", "**Initial Term**" or "**term of this lease**").

b. <u>Option Lease Term</u>. Lessee shall, if not in default under this Lease, have the option, exercisable on the terms and conditions and in the manner hereinafter provided, to extend the term of this Lease from the expiration of the Initial Term for two (2) ten (10) year periods (each an "**Extended Term**") on the same terms, covenants and conditions herein contained, except that the rent for each Extended Term shall be as provided below and except as otherwise specifically provided in this Lease. Any option to extend the Initial Term or any Extended Term shall be exercised only by Lessee delivering to District at least ninety (90) days prior to expiration of the Initial Term or any Extended Term. Lessee's right to exercise the option is contingent upon the Lease being in effect and Lessee not being in default under the Lease at the time of giving notice and at the time such Extended Term is to begin.

3. Zoning, Preparation of Plans and Specifications for Improvements, Building Permits, and Construction Schedule

a. <u>Zoning</u>. Promptly after the Effective Date, Lessee shall take all reasonable and diligent efforts to obtain all zoning and land use entitlements (i.e. rezoning/general plan amendment) necessary for the Project. The continued effectiveness of this Lease depends on: (1) approval by the parties and the appropriate government agencies of plans and specifications covering construction of the Improvements (as defined in Section 5(a)); (2) the issuance of all Building Permits (as defined in Section 3(d)) necessary for the Project; (3) agreement between the parties of a Construction Schedule (as defined in Section 3(e)); and (4) the ability of Lessee to obtain a commitment from a Leasehold Lender providing a construction loan for the construction of the Improvements, which construction loan is subject to the provisions of Section 23(b).

b. <u>Preliminary Plans</u>. Lessee, at its expense, shall submit to the District a complete set of the "**Preliminary Plans**" covering the exterior of all Improvements to be constructed at the Leased Property. The Preliminary Plans shall consist of plans, drawings, specifications, and other information showing in detail the Improvements that will be constructed including, without limitation, the following: (i) definitive exterior drawings and renderings of the buildings; (ii) location and types of exterior signs; (iii) dimensions for all exterior architectural and exterior design elements; and (iv) exterior landscaping. In the event Lessee has not submitted the Preliminary Plans to the District within 365 days following the Commencement Date, then at any time thereafter until such time as Lessee has submitted the Preliminary Plans to the District, the District shall have the ability to terminate this Lease, in which case the parties shall be relieved of further obligations hereunder.

The District shall promptly review the Preliminary Plans and shall within 30 days after receipt either approve them or deliver to Lessee the District's specific objections to them together with the District's proposed solution to each objection. If the District fails to notify Lessee of Landlord's disapproval within the required time period, the District shall be deemed to have given its approval. The District shall not unreasonably withhold its approval. If the District objects to all or part of the Preliminary Plans, Lessee shall deliver revised Preliminary Plans to the District within 30 days after receipt of the District's objections. Within 30 days after receipt of the revisions, the District shall review the revised Preliminary Plans and shall notify Lessee in writing of any further revisions, additions, deletions, and information required by the District and the reasons therefor. The procedure set forth in this paragraph will be repeated until such Preliminary Plans are agreed on.

c. <u>Final Plans</u>. Lessee, at its sole cost and expense, shall cause to be prepared final plans and specifications and working drawings ("**Final Plans**") in conformance with the previously approved Preliminary Plans. Lessee's Final Plans shall also include all required shop drawings. Lessee shall deliver the Final Plans to District no later than 120 days from the date of acceptance by District of the Preliminary Plans.

Within 30 days after receipt of the Final Plans, District shall either approve Lessee's Final Plans (which approval will be given if the Final Plans are in substantial conformance with the approved Preliminary Plans), or District shall set forth in writing with particularity any changes District considers necessary to bring the Final Plans into substantial conformance with the Preliminary Plans, in which latter event Lessee shall cause the Final Plans to be changed within 20 days following receipt of District's notification of required changes. If District fails to notify Lessee of District's disapproval of the Final Plans within the required time period, District shall be deemed

to have given its approval. Within 20 days after receipt of the revised Final Plans, District shall review the revised Final Plans and either approve or disapprove them. If District fails to notify Lessee of District's disapproval within the required time period, District shall be deemed to have given its approval. The procedure set forth in this paragraph shall be repeated until the Final Plans are agreed on.

When Lessee's Final Plans are approved by the parties, they shall be signed and dated by the parties. The Final Plans shall be deemed to be part of this Lease as if set out in full in the body of this Lease and shall be construed to be the plans and specifications referred to wherever in this Lease reference is made to plans and specifications, unless specifically provided otherwise. Any plans and specifications or subsequent changes to Lessee's Final Plans shall not constitute the Final Plans unless approved in writing by District.

District's approval of the Final Plans shall not be deemed to certify that the Final Plans comply with building codes and other applicable Laws, and shall not relieve Lessee of Lessee's responsibility to verify all job conditions, including, without limitation, dimensions, locations, clearances, and property lines. "Laws" includes all statutes, cases, regulations, and ordinances, present and future, and all amendments thereto.

d. <u>Building Permits for the Improvements.</u> As soon as the parties approve the Final Plans, Lessee, at its sole cost and expense, shall promptly apply to the appropriate government agencies for a building permit(s) and any other required permits and authorizations (collectively, "**Building Permits**") for construction of the Improvements pursuant to the Final Plans. Lessee shall diligently pursue the processing of such application(s). If the governmental agency shall reject the Final Plans and thus prevent the issuance of the required Building Permits, Lessee shall promptly make all necessary changes to Lessee's Final Plans required by the government agency, which changes must be approved by District, which approval shall not be unreasonably withheld or delayed. Lessee shall pay for all plan check and permit fees required to obtain the required Building Permits. In the event Lessee has not applied to the appropriate government agencies for the Building Permits within 540 days following the Commencement Date, then at any time thereafter until such time as Lessee has applied for the Building Permits to the District, the District shall have the ability to terminate this Lease, in which case the parties shall be relieved of further obligations hereunder.

e. <u>Construction Schedule</u>. As soon as the Building Permits are issued by the appropriate government agencies, Lessee and the District shall agree on a reasonable construction schedule, including a start and completion date for construction of all the Improvements (the "**Construction Schedule**") Upon receipt of the Building Permits, Lessee shall diligently and continuously proceed to complete construction of the Improvements pursuant to the agreed Construction Schedule. In the event Lessee (1) has not obtained a commitment from a Leasehold Lender providing a construction loan for the construction of the Improvements and/or (2) has not commenced construction of the Improvements within 720 days following the Commencement Date, then at any time thereafter until such time as Lessee has commenced construction, the District shall have the ability to terminate this Lease, in which case the parties shall be relieved of further obligations hereunder.

The Construction Schedule shall also provide for Substantial Completion of the Project at or before three (3) years after the Commencement Date. "**Substantial Completion**" shall mean when the Lessee obtains from the appropriate government agency or agencies a certificate of occupancy, or similar certificate or instrument, covering the Improvements constructed by Lessee. Lessee shall exercise good faith commercially reasonable efforts to satisfy the conditions set forth in this Section 3. Notwithstanding the foregoing, provided Lessee has timely commenced construction of the Improvements, and is diligently and continuously pursuing Substantial Completion of the Project, the District shall have no right to terminate the Lease.

4. <u>Rent</u>. During the term of this Lease, Lessee shall pay rent to District monthly, as set forth below:

a. <u>Rent</u>. Lessee shall pay to District as rent for the Leased Property:

(i) <u>Initial Rent</u>. As Lessee shall be responsible for the cost and labor associated with rezoning the Property to allow for the construction of Project and the Additional Development both of which shall benefit the District, the initial rent shall be the sum of \$1.00 per year (the "**Initial Rent**"). The Initial Rent shall be payable for the period starting as of the Commencement Date and continuing until the earlier of (x) Substantial Completion of construction of the Project and (y) the date that is three (3) years after the Commencement Date (the "**Initial Rent**").

(ii) <u>Monthly Rent During First Five Years</u>. Rent for the period after the Initial Rent Period until the five (5) year anniversary of the Commencement Date shall be a fixed sum of \$69,696 annually or \$5,808 per month. Calculated as follows: (Rentable Area x Price per square foot) x Rate of return = Annual Rent. (5 acres x 43,560sq. ft. = 217,800 sq. ft) * (\$4) * 8%) (the "**Fixed Rent**").

(iii) <u>Partial CPI Adjustment of Monthly Rent During Second Five Years</u>. Monthly rent for and during the sixth through tenth years of the term of this lease, will be an amount equal to the Fixed Rent adjusted upward but not downward in the percentage proportion that the Consumer Price Index, Los Angeles-Long Beach-Anaheim, All Items, 1982-84=100 base, All Urban Consumers (CPI-U) (the "**CPI Index**") published by the United States Department of Labor, Bureau of Labor Statistics, or its successor in function, for the third month immediately preceding the beginning of the sixth year of this Lease shall be increased over the CPI Index for the third month preceding the Commencement Date of this Lease, not to exceed three percent (3%) CPI increase per year.

(iv) <u>Monthly Rent for First Five Years of Each Decade After the First</u> <u>Decade Set By Appraisal</u>. The term "**decade**" means each period of ten (10) years during the term of this Lease or any Extended Term. The "**first decade**" is the ten-year period beginning on the Commencement Date of the lease term; the "**second decade**" is the ten-year period beginning on the first day following the first decade, and so on. A new monthly rent shall be determined every ten (10) years by appraisal as hereinafter provided, including during any Extended Term. District shall select the appraiser. District shall pay the cost and expense of the appraisal. The rent payable monthly for and during the first five (5) years of each Extension Term shall be an amount obtained by multiplying (x) a decimal factor of .006667 by (y) the Fair Market Rent of the Leased Property determined by appraisal as of the one hundred twentieth (120th) day prior to the commencement date of the particular decade for which the new monthly rent is to be determined (the "**Valuation Date**"); provided, however, in no event shall the new monthly rent determined by appraisal exceed the monthly rent for the prior year by more than five percent (5%). The foregoing decimal factor of .006667 is a monthly capitalization rate applied to the Fair Market Rent of the Leased Property so as to yield an imputed annual return of 8% per annum on the Fair Market Rent of the Leased Property as appraised and is computed by the following formula:

A/B	=	.006667
А	=	.08 (annual return of 8%)
В	=	12.0 (12 calendar months)

For the purposes of this Lease, "**Fair Market Rent**" shall be determined by District, in its reasonable, good faith discretion based upon: (A) the annual base rental rates then being charged in comparable Airport property for land only, as encumbered with easements and reservations, without taking into account the value of any improvements thereon, which comparison land is utilized in a manner comparable to the then-applicable utilization of the Leased Property; (B) for a lease term commencing on or about the commencement date of the applicable Extension Term and equal in duration to the applicable Extension Term; and (C) taking into consideration: (i) the geographic location of the Leased Property; (ii) the extent of services to be provided to the proposed lessee thereunder; (iii) applicable distinctions between "**gross**" and "**net**" leases; (iv) the creditworthiness and quality of Lessee; (v) leasing commissions; incentives being provided to lessee by lessors of comparable land in the geographic area in which the Leased Property is located; and (vi) any other relevant term or condition in making such evaluation, all as reasonably determined by District.

If Lessee does not concur with the Fair Market Rent as set by District's appraisal, and District and Lessee are unable to agree on a Fair Market Rent, then Lessee shall, within thirty (30) days after receipt of District's appraisal, have an appraisal conducted by an appraiser selected by and paid for by Lessee. If District does not concur with the Fair Market Rent as set by Lessee's appraisal, and District and Lessee are unable to concur on the Fair Market Rent of the Leased Property, then the Fair Market Rent, for purposes of this section, shall be the average of the two appraisals, subject to the provision that the rent shall not be less than the rent in effect prior to the appraisal.

Each appraiser shall certify that he/she has personally inspected the Leased Property and all properties used as comparisons, that he/she has no past, present or contemplated future interest in the Leased Property or any part thereof, that the compensation to be received by him/her from any source for making the appraisal is solely in accordance with this Lease, that he/she has followed the instructions as set forth in this Section 3 for valuing the Leased Property, that neither his/her employment to make the appraisal nor his/her compensation therefore is contingent upon reporting a predetermined value or a value within a predetermined range of values, that he/she has had at least seven (7) years full-time professional experience as a commercial real estate appraiser in the City of Santa Maria, including experience valuing properties within the aviation industry, that he/she is a member of the American Institute of Real Estate Appraisers or successor thereto or the

Society of Real Estate Appraisers or successor thereto (or, if neither such institute nor society nor a successor is in existence, a disinterested real estate appraiser having appropriate qualifications to appraise commercial real estate), and that his/her appraisal was prepared in conformity with the standards of professional practice of the institute or society or successor thereto.

(v) <u>CPI Adjustment of Monthly Rent in Second Five Year Period of</u> <u>Each Decade After First Decade</u>. The monthly rent determined by appraisal for the first five (5) years of each decade of the term of this Lease, or any Extended Term, beginning with the second decade of the term of this Lease shall be adjusted upward but not downward, as hereinafter provided, as of the first day of the sixth (6th) year of each decade, beginning in the second decade and the monthly rent so adjusted (herein sometimes referred to as the "**CPI Adjusted Base Rent**") shall be the monthly rent payable for and during the remaining five (5) years of such decade. The CPI Adjusted Base Rent will be an amount equal to the monthly rent for the preceding five (5) years increased but not decreased in the percentage proportion that the CPI Index for the third calendar month immediately preceding the beginning of the sixth year of the decade in which the monthly rent is being adjusted shall be increased over the CPI Index for the first calendar month in which such decade begins, not to exceed three percent (3%) CPI increase per year.

(vi) <u>CPI Index</u>. If the CPI Index described in subsection 3(a)(ii) is changed or modified, the CPI Index issued or published by the United States Department of Labor most nearly answering the description of the CPI Index shall be used in making the CPI rent adjustments. If the CPI Index is calculated from a base different from the base year 1982-84=100, the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Department of Labor. If the CPI Index is no longer published or issued, the parties shall use such other index as is generally recognized and accepted for similar determinations of consumer purchasing power.

(vii) <u>Payment</u>. 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. <u>Additional Rent</u>. The 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 Property 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**"). Notwithstanding the foregoing, District agrees to pay the following expenses: (a) any expenses expressly agreed to be paid by District in this Lease; (b) debt service and other payments with respect to any financing obtained by District, as evidenced by any mortgage, deed of trust, assignment of leases and rents, financing statement or other instruments, and secured by the interest of District in the Property; (c) expenses incurred by District to monitor and administer this Lease; (d) expenses incurred by District prior to the Commencement Date; and (e) expenses relating that are personal to the District. Lessee shall indemnify and save District harmless from and against Additional Rent. 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.

### 5. <u>Construction by Lessee</u>.

Conditions to Construction of Improvements. Lessee shall have the right a. to construct the Improvements on the Leased Property. "Improvements" shall mean and include all grading done on the Leased Property 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 Property by Lessee pursuant to this Lease and according to the Final Plans approved by District. 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 Property at the time said Improvements are constructed. All Improvements will comply with the District's minimum investment level requirements (\$10,000 per acre per year). Lessee shall be entitled to receive credit against future development on any ROFR/Option Property for any investment that exceeds the minimum District requirements. Lessee shall have the right and privilege at all times during the term hereof to make such alterations, additions and Improvements to the Leased Property 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 Property, Lessee shall have obtained (and delivered insurance certificates therefor to District) all insurance coverage required under Section 16 of this Lease, and shall give District fifteen (15) days prior written notice prior to the commencement of any and all construction at the Leased Property so that appropriate notices of non-responsibility may be posted and recorded by District. If during the term of this Lease the use, or continued use of the Leased Property by Lessee results in or otherwise requires the upgrade, renovation or improvement (collectively "upgrades") of any portion of the Leased Property 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. <u>Completion of Improvements and Other Work: Compliance with Law and</u> <u>Quality</u>. Lessee covenants that the Improvements to be constructed on the Leased Property, 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 Property pursuant to this Lease, and will comply in all material respects with the site plan approved by the District and all provisions of this Lease. All work performed on the Leased Property 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 Property shall not be subject to the review and approval of District.

### c. <u>Mechanic's. Materialman's, Contractor's, or Subcontractor's Liens</u>.

(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 Property, including all buildings and Improvements now or hereafter located on the Leased Property, free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Leased Property. Lessee shall (1) promptly pay and discharge, or cause the Leased Property 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 Property 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 Property 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. <u>Notice of Non-Responsibility</u>. At least ten (10) days prior to initiation of any improvement, or delivery of any materials to the Leased Property, Lessee shall notify District of same. District shall have the right to post, and/or publish, and record a Notice of Non-responsibility.

e. <u>Permits</u>. 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. <u>Builder's Risk Insurance</u>. Prior to commencing construction, 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. <u>Soil Conditions</u>. District is not aware of any hazardous materials or contamination therefrom existing on the Leased Property as of the Commencement Date and

District has not received notice of any violations of any relevant environmental laws relating to the Leased Property. District has caused to be conducted, and delivered a copy to Lessee, a Phase I Environmental Site Assessment for the Property indicating the Property is free of any potential or existing hazardous material or contamination as of the Commencement Date. Except for the foregoing, 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. <u>Diligence</u>. 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.

6. <u>Compliance with Laws</u>. 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 Property, 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.

7. <u>Operating Standards</u>. Lessee shall, at all times, conduct its operations and maintain the quality of its service in a manner satisfactory to the District. 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 a list of all employees who will be working at the Airport and their job titles and emergency phone numbers.

e. Furnish and keep adequate fire extinguishers in the required numbers on the Leased Property 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 Property and operations thereon by governmental agencies as are required by law, regulations or ordinances.

### 8. <u>Uses of the Leased Property</u>.

a. 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 Property pursuant to this Lease, neither the Leased Property nor any portion thereof shall be improved, used or occupied in violation of 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 Property for any use which is then a legally permitted use of the Leased Property. Lessee hereby acknowledges that neither District nor any of their agents or employees have made any representations to Lessee regarding Lessee's proposed use of the Leased Property 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 District, their agents or employees, with respect to any proposed use of the Leased Property or any portion thereof. District makes no representation or warranty as to the suitability of the Leased Property for the designated uses.

9. <u>Security</u>. District shall have no obligation to provide additional security that is greater than the normal operations of the Airport or lighting for the Leased Property.

### 10. <u>Maintenance</u>.

a. <u>Lessee's Duty to Maintain</u>. Lessee shall, at Lessee's sole cost and expense, keep and maintain the Leased Property and all alterations, additions and improvements on the Leased Property 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 Property, 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 Property 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 Property, 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 and such failure shall continue for thirty (30) days after delivery of notice from District to Lessee. 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 or to any termination or extension of the lease 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 Property. 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 Property. 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. <u>Removal</u>. 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.

11. <u>Utilities</u>. Except as provided in Section 21, District shall have no responsibility to provide water, utility service or extensions of any kind to the Leased Property, and any such water, utility service or extension by Lessee shall be at Lessee's sole cost and expense after consent by District.

12. <u>Nuisance.</u> Lessee shall not commit, or suffer or permit waste, excessive noise, obnoxious odors, excessive dust or any other nuisance on the Leased Property constituting an unreasonable interference with other District Lessees or persons using the Airport.

13. <u>Taxes, Licenses</u>. 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 Property, 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 Property or arising out of Lessee's storage or use of aviation fuels on the Leased Property or use or operation of the fuel facility. Lessee shall be solely responsible for the payment of any and all fees for petroleum products placed in the tanks at the Leased Property 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.

14. <u>Assumption of Risks/Acceptance of Property Condition</u>. Lessee represents that Lessee has inspected the Leased Property and accepts the condition of the Leased Property and fully assumes all risks incidental to the use of the Leased Property. Except as expressly provided herein, 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 Property for the purpose contemplated by Lessee by entry hereunder or that the Leased Property are zoned for the uses permitted herein.

By entry hereunder and except as otherwise provided herein, Lessee accepts the Leased Property in its present condition and agrees on the last day of the term or sooner termination to immediately surrender to District the Leased Property in the same or better condition as when received, damage by acts of God or by the elements excepted, subject to the provisions of Section 5.

15. <u>Indemnity</u>. 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 Property (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 Property 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 D, Hazardous Material Definitions) costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Leased Property or the improvements thereon or District's property or improvements in the vicinity of the Leased Property) 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 D) which occurs in, on or about the Leased Property as the result of any of Lessee's or Lessee's agents, employees, invitees, licensees, guests, or Lessee's activities on the Leased Property. Lessee shall notify District immediately of any "**release, etc**." of any toxic or hazardous material on the Leased Property.

16. <u>Insurance</u>. 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. General commercial liability insurance, including 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 Property, 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 Leased Property 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.

The proceeds of these policies 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. Not more often than every ten (10) years, the District may request that the minimum policy amounts be increased to reflect changed conditions, including, but not limited to, inflation or additional matters of liability.

Notwithstanding the foregoing, the insurance requirements of Section 16 shall be waived during the entitlement process. All insurance requirements, however, shall be in the full force and effect prior to the commencement of any physical alterations or construction to the Property.

17. <u>Use of Hazardous Material</u>. 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 Property except by a person who is able to read and understand attached labels and precautions.

18. <u>Federal Aviation Administration Rider Attached</u>. The provisions of the FAA Rider attached hereto as <u>Exhibit E</u>, consisting of four pages, are incorporated herein and made a part hereof.

19. <u>Right of Entry</u>. 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 Property or Lessee's operations shall have the right to enter the Leased Property upon reasonable prior notice to Lessee 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.

20. <u>Termination.</u>

a. <u>Termination by District</u>. 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, including but not limited to the termination rights included in Sections 3 and 21, 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, other than the payment of monthly rent, 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 fifteen (15) 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 20(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 to cure such default.

(C) In the case of any default not described in Section 20(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 to cure the default or such longer period of time as maybe reasonably required to cure such default as long as Lessee commences to cure the default within the thirty (30) day period 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 Property, or any rights hereunder, by operation of law, whether by judgment, attachment, execution, process or proceeding of any court or any other means (other than as permitted by Section 23).

b. <u>Termination by Lessee</u>. Notwithstanding any other provisions contained in this Lease, in addition to any right of termination as a matter of law or any other right herein given Lessee, including but not limited to the termination rights included in Section 3 and 21, Lessee may at its option cancel and terminate this Lease and agreement, by written notice thereof given to the District, upon or after the occurrence of the following events:

- (i) On or before the Commencement Date.
- (ii) The failure of Lessee to receive all Building Permits necessary for

the Project.

(iii) The failure of Lessee to obtain a commitment from a Leasehold Lender providing a construction loan for the construction of the Improvements on reasonably satisfactory terms and conditions, as determined by Lessee in its sole discretion.

21. <u>Development Costs</u>; <u>Cooperation</u>. Excluding (i) the costs of any biological assessments, permitting and mitigation measures, (ii) any off-site improvements, and (iii) the design and construction of the Detention Basin (temporary and permanent), Lessee shall bear all costs and expenses of development of the Leased Property, including, but not limited to, on-site improvements, removal of concrete and other pavement on the Leased Property, 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. The District will fully cooperate and support Lessee in its discussions, interactions, and applications with the City of Santa Maria, the Santa Barbara County Airport Land Use Commission, and all other applicable agencies to accomplish the rezoning of the Property and the approval and completion of the Project. Lessee shall have full authority to act as the District's representative for all land use and zoning entitlements in connection with the Property and the Project, provided the District shall have final decision-making authority on all land use and zoning entitlement changes related to the Property.

a. <u>Biological Assessments</u>. Unless otherwise agreed by the parties, the District shall be responsible for all biological assessments, permitting, and mitigation measures necessary to achieve clearance from the appropriate agencies on all biological issues concerning the Property and the Project; provided, however, after the investigation of biological issues if the District, in its sole and absolute discretion, determines that the mitigation measures or similar undertakings would be cost prohibitive, the District shall be allowed to terminate this Lease, unless Lessee elects to assume these costs.

b. <u>Off-Site Development Costs</u>. The parties shall work cooperatively with the City of Santa Maria to minimize off-site and adjacent street and infrastructure improvements to the extent possible and to enable viable development of the Property. The District and Lessee shall cooperate in fairly allocating required off-site development costs between the parties and phase the off-site development to ensure financially viable and expedient development of the Project. If the parties are unable to agree how to allocate the required off-site development costs, either party shall be allowed to terminate this Lease.

c. <u>Detention Basin</u>. The District shall be responsible, at its sole cost and expense, for designing and constructing the area-wide storm water detention facilities designated in the Airport Area Specific Plan and shown as Detention Basin #9 on <u>Exhibit A</u>, whether located on-site or off-site (the "**Detention Basin**"). Further, the District shall ensure temporary facilities are made available for the Project in the event the installation of the regional Detention Basin is delayed for any reason.

d. <u>Right to Entitlements.</u> Should Lessee terminate this Lease, all land use and zoning entitlements obtained by Lessee, or its agents, in connection with the Property and the Project, shall be assigned to the District at no cost.

22. <u>Remedies on Default</u>. 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 Property, to do the following, cumulatively or in the alternative:

a. <u>Re-entry After Termination</u>. To terminate this Lease upon written notice to Lessee and re-enter the Leased Property and eject some or all persons, or none, and remove all property, other than District's property, from the Leased Property or any part of the Leased Property. Any property removed from the Leased Property 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. <u>Re-entry Without Termination</u>. Without terminating this Lease, District may re-enter the Leased Property at any time and from time to time re-let the Leased Property 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 releting, District shall be entitled to all rents from the use, operation or occupancy of the Leased Property 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. <u>Termination After Re-letting</u>. Even though District may have re-let the Leased Property, District may thereafter elect to terminate this Lease and all of Lessee's rights in or to the Leased Property.

d. <u>Lessee's Personal Property</u>. After entry or taking possession of the Leased Property, 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. <u>Assignment of Subrents</u>. Lessee assigns to District all subrents and other sums falling due from sublessees, licensees and concessionaires up to the amounts due District under this Lease (herein called "**sublessees**") during any period in which District has the right under this Lease, whether exercised or not, to re-enter the Leased Property 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 Property 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. <u>Termination and Remedy in Damages</u>. 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%).

#### 23. Assignment, Subletting and Encumbering.

a. 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 Property without the prior written approval of District, which approval shall not be unreasonably withheld, conditioned or delayed: provided, however, that the use of the Leased Property for the Project (i.e. storage facility) and the granting of subleases, licenses and concessions to persons leasing storage space consistent with customary practice in the storage industry (including, without limitation, subletting of storage units, RV spaces, or other rentals within storage complex) shall not be deemed a violation of this Section 23. District reserves the right to refuse to approve any assignment, transfer, mortgage, encumbrance or sublease where the proposed use of the Leased Property is inconsistent with FAA or District policies or results in substantial 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.

vi. Lessee may use its leasehold interest as security for any loans to the extent such use is permitted under this Lease. Lessor shall not be required to subject its fee estate and interest in the Property to the lien of any leasehold financing or mortgage sought or obtained by Lessee. Notwithstanding the above, any mortgage, deed of trust or other assignment of this Lease to any Leasehold Lender as collateral security (defined below) will not be deemed a transfer or assignment.

#### b. <u>Rights of Leasehold Lender</u>.

i. Any lender providing financing to Lessee for Improvements to the Leased Property, shall be defined as a "Leasehold Lender." If Lessee grants a leasehold mortgage or leasehold deed of trust (in either case, referred to herein, as a "Leasehold Mortgage") to one or more Leasehold Lender, and written notice is given to the District to supply the District with such Leasehold Lender's notice address (a "Leasehold Financing Notice"), then the District shall give notice of any Lessee default to each and any such Leasehold Lender, at the same time and in the same manner as any such notice is given to Lessee, and no such notice of default by the District shall be deemed to have been duly given to Lessee unless and until a copy thereof shall have been given to any such Leasehold Lender. Upon its receipt of any such default notice, any such Leasehold Lender shall have the right to perform or otherwise cure any such default on the part of Lessee, and the District shall accept performance by a Leasehold Lender of any covenant, condition or agreement on Lessee's part to be performed hereunder with the same force and effect as though performed by Lessee, so long as such performance is made in accordance with the terms and provisions of this Lease and completed (i) in the case of any default in the payment of Monthly Rent or Additional Rent, within thirty (30) days following the last date provided for under the Lease for the Lessee to remedy or otherwise cure such default; or (ii) in the case of any other default not described in the immediately preceding clause (i), within thirty (30) days following the last date provided for under the Lease for the Lessee to remedy or otherwise cure such default; or (iii) in the case of any other default not described in the immediately preceding clause (i), within thirty (30) days following the last date provided for under the Lessee to remedy or otherwise cure such default.

Notwithstanding the provisions of Section 23(b)(i) hereof, no default by ii. Lessee shall be deemed to exist (1) as long as a Leasehold Lender, in good faith, shall have commenced or caused to be commenced to cure promptly the default and continuously prosecutes or causes to be prosecuted the same to completion with reasonable diligence and continuity, subject to force majeure, which for the purposes of this Section 23(b) shall include causes beyond the control of Lessee; or (2) if possession of the Leased Property or any part thereof is required in order to cure the default, Leasehold Lender shall have notified the District of its intention to institute foreclosure proceedings to obtain possession directly or through a receiver, and thereafter within thirty (30) days after the giving of such notice commences such foreclosure proceedings, prosecutes such proceedings with reasonable diligence and continuity (subject to force majeure) and, upon obtaining such possession, commences promptly to cure the default and prosecutes the same to completion with reasonable diligence and continuity (subject to force majeure); provided that the Leasehold Lender shall have delivered to the District, in writing, its agreement to take the action described in clause (1) or (2) herein and shall have assumed the obligation to cure the default (herein an "Assumption Notice"), and that during the period in which such action is being taken (and any foreclosure proceedings are pending), all of the other obligations of Lessee under this Lease are being duly performed (including, without limitation, payment of all Monthly Rent and Additional Rent due hereunder) within any applicable notice, grace or cure periods. Notwithstanding anything herein to the contrary, a Leasehold Lender shall have no obligation to cure any default of Lessee's under Section 20(a) of this Lease, and if such Leasehold Lender delivers an Assumption Notice, any default on the part of Lessee under Section 20(a) will not affect or otherwise diminish or impair the rights of Leasehold Lender under this Lease.

iii. At any time after the delivery of any such Assumption Notice, the Leasehold Lender may notify the District, in writing, that it has relinquished possession of the Leased Property or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them (in any case, a "**Rejection Notice**"), and, in such event, the Leasehold Lender shall have no further liability under such Assumption Notice from and after the date it delivers such Rejection Notice to the District (except for any obligations assumed by the Leasehold Lender and accruing prior to the date it delivers such Rejection Notice), and, thereupon, the District shall have the unrestricted right to terminate this Lease, subject to all of the other terms and conditions contained herein, and to take any other action it deems appropriate by reason of any default by Lessee, and upon any such termination the provisions of Section 23(b)(vi) shall apply.

iv. From and after the date upon which the District receives a Leasehold Financing Notice, it shall not modify or amend this Lease in any material respect or cancel or

terminate this Lease other than as provided herein without the prior written consent of the Leasehold Lender(s) which gave such Leasehold Financing Notice.

v. Except as provided in Section 23(b)(ii), no Leasehold Lender shall become liable under the provisions of this Lease unless and until such time as it becomes the owner of the leasehold estate created hereby.

vi. In case of termination of this Lease by reason of any default or for any other reason, the District shall give prompt notice thereof to each Leasehold Lender identified in any Leasehold Financing Notice. The District, on written request of such Leasehold Lender made any time within thirty (30) days after the giving of such notice by the District, shall execute and deliver a new lease of the Leased Property to the Leasehold Lender, or its designee or nominee, for the remainder of the Term, upon all the covenants, conditions, limitations and agreements herein contained; provided that the Leasehold Lender shall pay to the District, simultaneously with the delivery of such new lease, all unpaid Monthly Rent and Additional Rent due under this Lease up to and including the date of the commencement of the term of such new lease.

vii. Any such new lease contemplated under Section 23(b)(vi) and the leasehold estate thereby created, subject to the same conditions contained in this Lease, shall continue to maintain the same priority as this Lease with regard to any other lien or encumbrance whether or not the same shall then be in existence.

viii. Upon the execution and delivery of a new lease under Section 23(b)(vi) any sublease which theretofore may have been assigned to the District thereupon shall be assigned and transferred, without recourse, by the District to the lessee named in such new lease. Between the date of termination of this Lease and the date of execution and delivery of the new lease, if a Leasehold Lender shall have requested such new lease as provided in Section 23(b)(vi) the District shall not enter into any new sublease, cancel or modify any then-existing sublease or accept any cancellation, termination or surrender thereof (unless such termination shall be effected as a matter of law on the termination of this Lease) without the written consent of the Leasehold Lender.

ix. If there is more than one Leasehold Mortgage, the District shall recognize only the Leasehold Lender whose Leasehold Mortgage is senior in lien as the Leasehold Lender entitled to the rights afforded hereunder.

24. <u>Notices.</u> 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 1655 Dalidio Dr., Unit 3018, San Luis Obispo, California 93401. 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.

25. <u>Attorneys' Fees</u>. 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).

26. <u>Quitclaim</u>. 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.

27. <u>Covenants and Conditions</u>. Each term and each provision of this Lease performable by Lessee shall be construed to be both a covenant and a condition.

28. <u>Time of Essence</u>. Time is of the essence of each term, condition and provision of this Lease agreement.

29. <u>Waiver</u>. 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 Property, 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.

30. <u>Subordinate to Specified Matters</u>. 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 Property now of record or hereafter granted, caused or suffered by District.

31. <u>Captions</u>. Captions appearing herein are for convenience of reference only and shall not govern the construction of this agreement.

32. <u>Invalidity</u>. 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.

33. <u>Integration</u>. This Lease contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this Lease.

34. <u>Binding Effect</u>. This Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

35. <u>Holding Over</u>. 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. During such month-to-month tenancy, the Lessee shall pay the District's facility rental rate in effect at the time of the hold over. Lessee shall also continue to pay Additional Rent and all other charges due under this Lease.

36. <u>Surrender and Site Assessment</u>. On the last day of the term of the Lease or sooner termination, with the exception of Lessee's trade fixtures, equipment and other personal property, any and all structures, buildings, parking areas, walkways, drives, landscape areas, and underground installations constructed before or during the Term of the Lease, shall become the property of Lessor. Lessee agrees on the last day of term hereof or sooner termination to surrender to District forthwith the Leased Property in the same or better condition as when received, subject to the provisions of Section 10(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 Property to determine that the Leased Property are free of any hazardous material or contamination as compared to the condition of the Leased Property on the Commencement Date. 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 Property 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 Property or originating on the Leased Property and migrating off the Leased Property which are as a result of Lessee's activities under the Lease 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 such 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. Notwithstanding anything to the contrary herein, Lessee shall not be responsible (a) for remediation of hazardous material or contamination occurring on adjacent property not leased to Lessee and migrating onto the Leased Property, unless Lessee is responsible for the hazardous material or contamination on the adjacent property, or (b) for any conditions existing on the Commencement Date of the Lease.

37. <u>Disclaimer of Partnership</u>. 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.

38. <u>Interpretation and Venue</u>. 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.

39. <u>Dual Agency</u>. Lessor and Lessee have been represented in this transaction exclusively by Tom Ross of Ross Realty (the "**Broker**") creating a dual agency. Lessor and Lessee shall each pay to Broker, the fee agreed to, if any, in a separate written agreement.

Lessee's Right of First Negotiation. If, at any time during the Term, District intends 40. to offer to sell the Leased Property or any part thereof or interest therein to a third party (other than any entity controlling, controlled by, or under common control with District), then District shall, prior to any offering of the Leased Property or such part thereof or interest therein for sale, deliver to Lessee written notice of the terms and conditions, upon which District intends to offer the Leased Property or such part thereof or interest therein for sale. Provided that no event of default has occurred and is continuing hereunder, Lessee shall have the right to purchase the Leased Property (or such part thereof or interest therein) on the terms set forth in the notice from District by giving written notice to the District within forty-five (45) days after receiving District's notice, of Lessee's intention to purchase on the terms contained in such notice from District. In the event that Lessee fails to notify District within said forty-five (45) day period of Lessee's election to exercise its right to purchase hereunder, or in the event Lessee notifies District within said period that Lessee will not exercise its right to purchase hereunder, District may proceed to sell the Leased Property (or such part thereof or interest therein) to any third party after the expiration of such forty-five (45) day period, but only on substantially the same terms and conditions as were set forth in the notice from District to Lessee, and any material change in such terms and conditions shall be deemed a new offer and District shall in such event not consummate any sale to a third party without first submitting all of the changed terms and conditions (and not just those which have changed substantially or materially) to Lessee for determination by Lessee in the manner provided above, except that Lessee shall have thirty (30) business days, and not forty-five (45) days, after receipt of said notice in which to elect to exercise its right to purchase on the basis of the changed terms and conditions. For these purposes, the offer shall be deemed to have been changed substantially or materially only if the purchase price at which the Leased Property (or such portion thereof or interest therein) are offered differs by more than three percent (3%) from the purchase price previously offered. Notwithstanding the above, Lessee understands that any sale of the Leased Property shall be governed by the regulations of the Federal Aviation Administration ("FAA") and such a sale may require FAA approval.

#### [SIGNATURES ON THE NEXT PAGE]

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

Dated: _____, 2019

Approved as to content for District:

DISTRICT:

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

Chris Hastert, General Manager

Approved as to form for District:

By: _____

Hugh Rafferty, President

By: ___

Carl Engel, Secretary

District Counsel

LESSEE:

G3, LLC, a California limited liability company

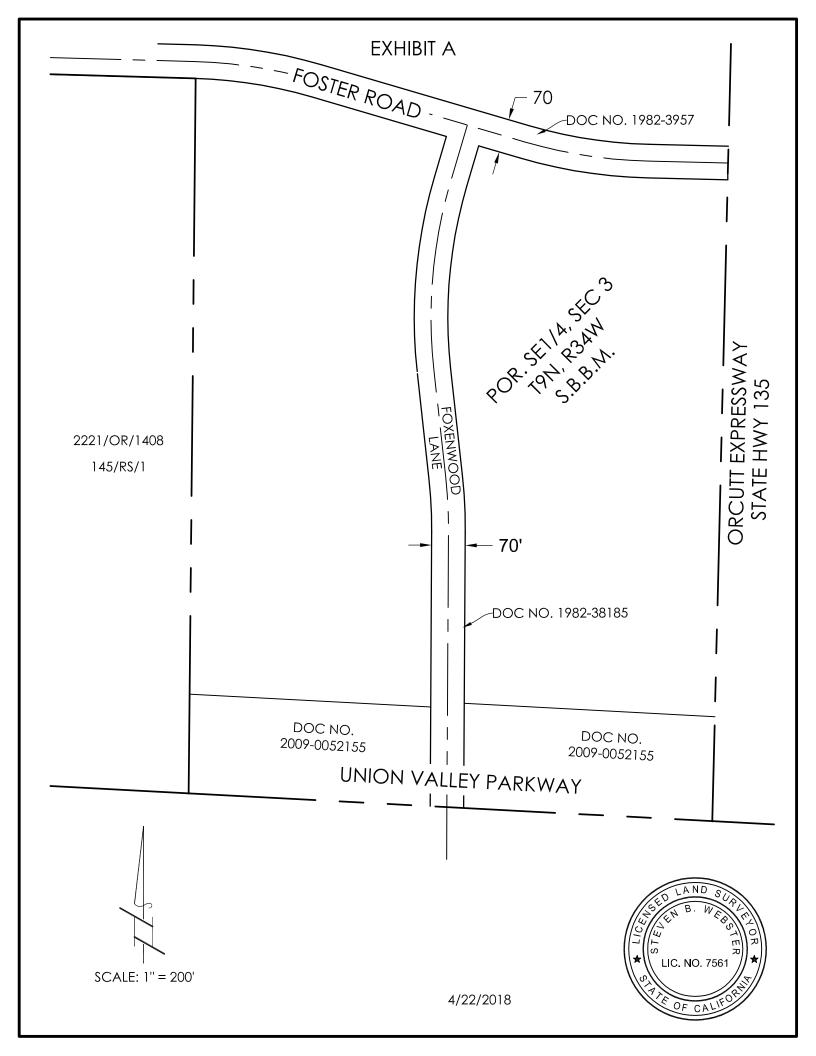
By: _____

Name: _____

Its: _____

# Exhibit "A"

**Depiction of the Property** 



# Exhibit "B"

Legal Description of the Leased Property

# Exhibit B Leased Property Legal Description

A portion of the Southeast Quarter of Section 3, Township 9 North, Range 34 West, San Bernardino Base and Meridian, in the City of Santa Maria, Santa Barbara County, State of California, described more particularly as follows:

Commencing at the southeasterly corner of the parcel described in Document No. 5741, recorded February 13, 1968, in Book 2221, Page 1408 of Official Records of said county, and shown on the map filed in Book 145 Record of Survey at Page 1, of said county; thence,

Northerly along the easterly line of said parcel North 0°46'42" East, a distance of 423.74 feet to the True Point of Beginning; thence,

Leaving the easterly line of said parcel South 86°45'25" East, a distance of 502.19 feet to a point on the westerly right of way of the 70-foot frontage road as described in Document No. 1982-020745, of Official Records of said county; thence,

Along said westerly right of way, North 0°32'31" East, a distance of 147.46 feet to a curve, concaved to the west, having a radius of 965.00 feet; thence,

Northerly and northwesterly along said curve, through a central angle of 6°35'20" distance of 110.97 feet; thence,

North 6°02'49" West, a distance of 189.08 feet; thence,

Leaving said westerly right of way, North 86°45'25" West a distance of 472.25 feet to a point on the easterly line of said parcel described in Document No. 5741; thence,

Along said easterly line South 0°46'42" West a distance of 444.61 feet to the Point of Beginning.

The parcel described contains 5.0 acres more or less and is shown graphically on Exhibit B1 herein attached.

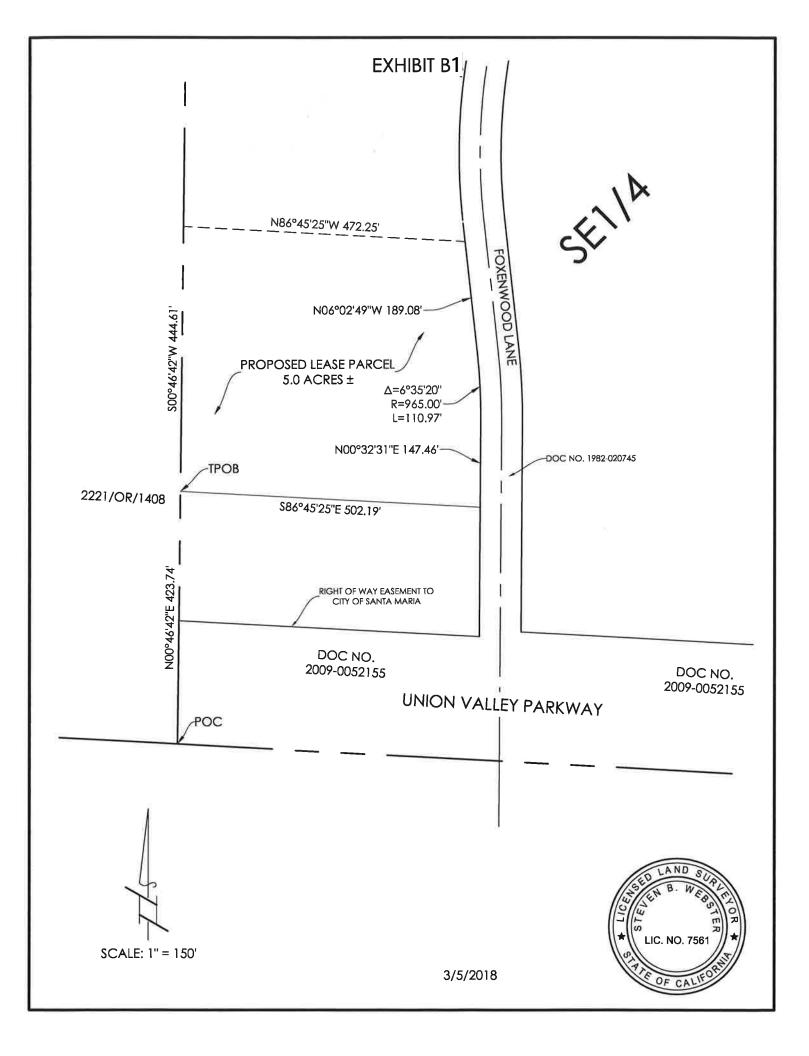
Low BWabola

3/5/19



# Exhibit "B1"

**Depiction of the Leased Property** 



# Exhibit "C"

# **ROFR/Option Agreement**

#### **OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT**

This OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this "<u>Agreement</u>") dated as of April 25, 2019 (the "<u>Effective Date</u>") is made and executed by and between SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district of the State of California (herein called "<u>District</u>") and G3 LLC, a California limited liability company (herein called "<u>G3</u>", and together with District the "<u>Parties</u>" and each, a "<u>Party</u>".)

#### RECITALS

WHEREAS, District is the owner of approximately 28 acres of real property, located on parcels 85 through 89 of the Santa Maria Business Park, Santa Maria, California, a portion of Assessor's Parcel Number: 111-231-11 (the "Property").

WHEREAS, District, as lessor, and G3, as lessee, are parties to that certain ground lease dated March 25, 2019 (the "<u>Ground Lease</u>"), whereby G3 leases from District a portion of the Property, comprising of approximately five (5) acres, located on a portion of the Santa Maria Airport Business Park, Santa Maria (the "<u>Leased Property</u>").

WHEREAS, District desires to grant to G3, and G3 desires to obtain from District, an irrevocable and exclusive option and right of first refusal to lease all or any portion of the Property, (excepting therefrom the Leased Property), as shown in the map attached hereto as <u>Exhibit A</u> and more particularly described in <u>Exhibit B</u> attached hereto (the "<u>Option/ROFR Property</u>"), under one or more long term ground leases for future commercial development by G3, its successors or assigns, or its subtenants, subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing and the other mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. <u>Defined Terms</u>. Capitalized terms used and not defined in this Agreement have the respective meanings assigned to them in the Ground Lease.

2. <u>Grant of Option</u>. G3, together with its successors and assigns, shall have an option to lease the Option/ROFR Property (or any portion thereof) (the "<u>Option</u>") on the following terms and conditions:

a. <u>Option Term</u>. The term of the Option (the "<u>Option Term</u>") shall commence on January 1, 2020 and automatically expire five (5) years later on December 31, 2025 (the "<u>Option Termination Date</u>").

b. <u>Option Consideration</u>. Within three days after full execution of this Agreement, G3 shall deliver to District the amount of One Hundred and No/100 Dollars (\$100.00) as consideration for the grant of the Option by District (the "<u>Option Consideration</u>"). The Option Consideration amount has been bargained for and agreed to as separate and independent consideration for G3's option to lease the Option/ROFR Property pursuant to the terms herein, and for the District's execution and delivery of the Agreement. The Option Consideration shall be deemed fully earned by the District upon receipt and shall be considered non-refundable to G3 in

all events.

c. <u>Exercise of Option</u>. At any time during the Option Term, G3 may exercise its Option rights, in accordance with this section and in no other manner, by timely sending District a written notice, pursuant to the notice provisions of Section 12, of G3's intention to exercise the Option (each, an "<u>Exercise Notice</u>"). Each Exercise Notice shall affirmatively state that G3 exercises the Option without condition or qualification and shall include a description identifying the portion of the Option/ROFR Property which G3 intends to lease.

d. <u>Lease Agreement(s)</u>. If G3 exercises its Option rights, the Parties shall execute a lease agreement and other such documents, certifications and confirmations as may be reasonably required to fully effect and consummate the transactions contemplated by this Agreement. The Parties agree that any lease agreement shall be in substantially the form attached as <u>Exhibit C</u> and the initial monthly rent shall be calculated based on 2018 appraisal value of the Property of \$4.00 per square foot for those portions of the Property located west of Foxenwood Lane and \$6.00 per square foot for those portions of the Property located east of Foxenwood Lane. The term of the lease (including any option periods) shall be consistent with the maximum term length permitted under the District Long-Term Aviation Land Lease Policy. Concurrent with the execution of the lease agreement, the District shall assign to G3 all the District's rights and obligations under any existing leases affecting the Option/ ROFR Property.

3. <u>Right of First Refusal</u>. G3, together with its successors and assigns, shall have the right of first refusal to lease the Option/ROFR Property (or any portion thereof) (the "<u>Right of First</u> <u>Refusal</u>") on the following terms and conditions:

a. <u>Right of First Refusal Term</u>: The term of the Right of First Refusal (the "<u>ROFR</u> <u>Term</u>") shall commence on the Option Termination Date and automatically expire ten (10) years later on December 31, 2035 (the "<u>ROFR Termination Date</u>").

b. <u>ROFR Notice</u>. If, at any time during the ROFR Term, District receives an offer to lease all or any portion of the Option/ROFR Property from a third party, at a rental and upon terms and conditions which are satisfactory to District, District shall provide written notice to G3 of the terms and conditions upon which District is willing to lease the Option/ROFR Property (or such portion of the Option/ROFR Property) to said third party (each, a "<u>District's Notice</u>"). District's Notice shall set forth the material economic terms and conditions (including, without limitation, a statement regarding the area of the leased property, the lease term, the rent and any adjustments thereto, additional rent amounts, and any conditions regarding the construction of improvements) under which District is willing to lease the Option/ROFR Property (or such portion) (the "<u>Material Terms</u>"), but shall not constitute an agreement between the parties or an offer to lease such Option/ROFR Property. District agrees to bargain in good faith on any terms not stated in District's Notice.

c. <u>Exercise of Right of First Refusal</u>. G3 shall have thirty (30) days after receipt of District's Notice (each, a "<u>G3 Response Period</u>") to notify District in writing whether or not G3 desires to lease the Option/ROFR Property unconditionally on the terms stated in District's Notice ("<u>G3's Notice</u>"). If G3 provides the District written notice of G3's desire to lease the Option/ROFR Property within the G3 Response Period, District and G3 shall promptly enter into a lease agreement for the Property on the Material Terms stated in District's Notice. The Parties shall also execute such documents, certifications and confirmations as may be reasonably required to fully

effect and consummate the transactions contemplated by this Agreement.

d. In the event that (i) G3 either: (A) elects not to lease the Option/ROFR Property on the terms and conditions stated in District's Notice; or (B) fails to deliver G3's Notice to District within the G3 Response Period; or (ii) if G3 delivers G3's Notice, but District and G3 fail to agree on and execute a lease agreement within one hundred and twenty (120) days after the date of District's receipt of G3's Notice, then G3 shall be deemed to have waived its right of first refusal to lease the Option/ROFR Property (as to that particular portion of the Option/ROFR Property identified in District's Notice), and District shall have the right thereafter, without any further notice to G3, to offer the Option/ROFR Property for lease, and to lease the Option/ROFR Property (or such portion thereof), to a third party upon all of the Material Terms stated in the District's Notice, free and clear of the G3's right of first refusal set forth in this Section 3. If, however, within thirty (30) days after the date G3 waived (or is deemed to have waived) its right to purchase the Option/ ROFR Property (or such portion), District offers the Option/ ROFR Property (or such portion) to a third party upon Material Terms that are more favorable to the third party lessee than the Material Terms contained in the District's Notice, District shall re-offer the Option/ROFR Property (or such portion thereof) to G3 on the terms offered to such third party ("District's Revised Notice") and the same procedures shall apply with respect to District's Revised Notice as are set forth above with respect to District's Notice.

4. <u>Existing Leases</u>. The Option/ROFR Property is subject to the Existing Leases detailed on <u>Exhibit D</u>. If a lease is executed, as contemplated herein, the District shall assign to G3 all its rights and obligations under the Existing Leases and shall execute a Lease Assignment and Assumption Agreement with respect to the Existing Leases.

5. <u>Condition Precedent to Exercise of Option and ROFR</u>. As a condition precedent to G3 exercising its Option and/or ROFR rights, G3 shall not be in material default of any of the terms, conditions or covenants of the Ground Lease.

6. Right of Entry. During the Option Term and at any time during a G3 Response Period, G3 and its authorized representatives may at any reasonable time, after giving reasonable notice to District, enter upon the Option/ROFR Property for the purpose of making inspections, appraisals, surveys, shading analysis, including the cutting of survey lines and putting up markers and driving stubs and stakes, site and soil, groundwater and structural analysis, engineering studies, core sampling for engineering reports, locating existing rights of way, easements, and utilities and evaluating the Option/ROFR Property for development potential, and measuring potential access and transmission easement areas, however, G3's activities shall not interfere with any ongoing activities of the District or its tenant being conducted at the Option/ROFR Property. G3 shall have the right also to perform inspections and testing at the Option/ROFR Property (including, without limitation, environmental or geotechnical studies), provided the District and its tenant approves the associated work plan in advance of such work. If G3 causes engineers, contractors or others to perform work on the Option/ROFR Property, G3 shall furnish the District, prior to such work being performed, with (i) evidence of insurance reasonable satisfaction to District, including without limitation, Workers' Compensation Insurance for the protection of such engineers' and contractors' employees and comprehensive liability policy in an amount not less than \$1,000,000 combined single limit per occurrence, insuring District against any loss or liability relating to or arising out of G3's inspection of the Option/ROFR Property and (ii) reasonable assurances that such engineers, contractors or others will not place a lien on the Option/ ROFR Property in the event of nonpayment for their services. Such assurances may take the form of lien releases, a deposit or other security reasonably acceptable to the District. G3 shall cause the Option/ ROFR Property to be immediately restored to its condition immediately prior to the conducting of G3's investigations. G3 shall provide the District with a copy of any written results, reports, tests or studies generated by G3's investigation. G3 agrees to indemnify District from all third-party claims for any personal injury or property damage or otherwise to any person or property caused by any negligent or intentional action or omission of G3 or its agents in exercising its right of entry onto the Option/ROFR Property. Such undertaking of indemnity shall survive the termination of this Agreement for any reason. Notwithstanding any other provision in this Section 6, the indemnity described herein shall not extend to and in no event shall G3 be liable to District for any negligence or misconduct of District or any agent, contractor or employee of District.

7. <u>District's Documentation</u>. To the extent that any of the following items exist and are in the possession of District and can be located through a reasonable search, during the Option Term and ROFR Term, District agrees to furnish to G3 within thirty (30) days after G3's request any and all surveys, title reports, topographical maps, engineering and architectural drawings or plans, environmental reports, lot layouts, any plans or profiles of any roadways, easements, or utility lines. District further agrees to furnish to G3 all information available to District concerning the environmental condition of the Option/ROFR Property and the existence of any contract rights that District might hold for the service of the Option/ROFR Property by utilities, either public or private.

8. <u>Environmental Inspection</u>. G3, at G3's expense, may perform environmental investigations (including but not limited to Phase I Environmental Assessment(s)) of the Option/ROFR Property by a qualified environmental consultant selected by G3 and conducted in accordance with standard commercial practices. The District will fully cooperate and support Lessee in performing environmental investigations on the Option/ROFR Property.

9. <u>Assignment of Option/ROFR</u>. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs or successors and permitted assigns. G3 may assign its interest under this Agreement without the prior consent of District, provided (a) G3 gives District written notice of such assignment within five (5) days after such assignment, and (b) G3's assignee executes an instrument in form reasonably satisfactory to District agreeing to be bound by all the terms and conditions of this Agreement. Upon any assignment of G3's entire interest under this Agreement, G3 shall be relieved of all further liability under this Agreement.

10. <u>Representations and Warranties by District</u>. District represents and warrants as of the date of this Agreement and as of the date of execution of a lease agreement(s) as contemplated herein that:

a. Subject to the Existing Leases, the District is the fee Owner of the Option/ROFR Property and has the right, title, and authority to enter into and to perform its obligations under this Agreement;

b. Subject to the Existing Leases, the entry and performance of this Agreement by District will not breach any other agreement with any other party or create a violation of any applicable law, rule, or regulation;

c. There are no pending, and to the best of District's knowledge no threatened, actions,

suits, arbitrations, claims or proceedings, at law, in equity or otherwise, that would adversely affect the Option/ROFR Property or District's ability to perform its obligations under this Agreement, including, but not limited to, judicial, municipal or administrative proceedings in eminent domain, collection actions, claims relating to alleged building code violations or health and safety violations, federal, state or local agency actions regarding environmental matters, lease disputes, claims relating to federal environmental protection agency or zoning violations, or actions relating to personal injuries or property damages alleged to have occurred at the Option/ROFR Property or by reason of the condition or use of or construction on the Option/ROFR Property;

d. District has received no written notice of any violation of any applicable laws, ordinances, rules, requirements, regulations and building codes of any governmental agency, body or subdivision thereof bearing on the Option/ROFR Property; and

e. To District's knowledge, (1) the Option/ROFR Property or any portion thereof is not in violation of any environmental laws, and (2) District has not used, generated, manufactured, stored or disposed of on, under or about the Option/ROFR Property or transported to or from the Option/ROFR Property any hazardous substances in violation of any environmental laws.

11. <u>Exclusivity</u>. In recognition of the fact that investigations, inspections and due diligence review and pursuit of the Option/ROFR Property will require significant effort and expenditure by G3, District agrees that during the Option Term, District shall not directly or indirectly solicit, initiate, seek, encourage or support any inquiry, proposal, offer or bid from, negotiate with, provide any information to, or enter into any agreement with any party to lease, occupy or use the Option/ROFR Property. District agrees that any such negotiations in progress as of the date hereof will be terminated or suspended during such period. Notwithstanding the above, the Option/ROFR Property is subject to Existing Leases, which shall be extended throughout the Option Term, but not for longer than six-month terms. District shall promptly disclose to G3 any unsolicited inquiry or proposal from another party regarding use of the Option/ROFR Property during the Option Term.

12. <u>Notices</u>. Unless specifically stated otherwise in this Agreement, all notices shall be in writing and delivered to District and G3, at the addresses below, by one the following methods: (a) personal delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) overnight delivery by a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the business day following deposit with the courier, (c) registered or certified mail, postage prepaid, return receipt requested, whereby delivery is deemed to have occurred on the third business day following deposit with the United States Postal Service, or (d) electronic transmission (facsimile or electronic mail) provided that such transmission is completed no later than 5:00 pm on a business day and the original is also sent by personal delivery, overnight delivery or by mail in the manner previously described, whereby delivery is deemed to have occurred at the end of the business day on which the electronic transmission is complete.

To District:

Santa Maria Airport District 3217 Terminal Drive Santa Maria, California 93455

with a copy to:

Adamski Moroski Madden Cumberland & Green, LLP Attn: Joshua George P.O. Box 3835 San Luis Obispo, CA 93403

#### <u>To G3</u>:

G3 LLC Attn: Erik Justesen, Manager 1655 Dalidio Drive, #3018 San Luis Obispo, CA 93401

with a copy to:

GLICK HAUPT MARINO LLP Attn.: Beth A. Marino, Esq. 1315 Santa Rosa Street San Luis Obispo, CA 93401

13. <u>Default by District</u>. If District fails to perform any of its obligations or is otherwise in default hereunder, G3 shall have the right to seek such relief G3 may have at law or in equity, including, without limitation, seeking injunctive relief to prevent the lease of the Option/ROFR Property to a party other than G3 and the filing of an action for specific performance.

14. <u>Waiver</u>. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of the terms, covenants, or conditions, nor will any waiver or relinquishment of any right or power at any one time or more times be deemed a waiver or relinquishment of the right or power at any other time or times.

15. <u>Entire Agreement</u>. This Agreement and the Ground Lease contain the entire agreement of the Parties and will supersede the terms and conditions of all prior written and oral agreements, if any, concerning the matters it covers. The Recitals are incorporated into this Agreement. The Parties acknowledge there are no oral agreements, understandings, representations, or warranties that supplement or explain the terms and conditions contained in this Agreement. This Agreement may not be modified except by an agreement in writing signed by the Parties.

16. <u>Attorneys' Fees</u>. 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 Agreement, 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).

17. <u>Severability</u>. This Agreement will be construed in its entirety and will not be divisible, except that the invalidity or unenforceability of any provision hereof will in no way affect the validity or enforceability of any other provision.

18. <u>Interpretation and Venue</u>. This Agreement is to be interpreted in accordance with the laws of the State of California. Any legal action relating to this Agreement shall be brought in the court

of appropriate jurisdiction in the County of Santa Barbara, State of California.

19. <u>Counterparts; Electronic Signatures</u>. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document. Electronic and facsimile signatures will be considered original signatures for the purpose of execution and enforcement of the rights delineated in this Agreement.

20. <u>Time of Essence</u>. District and G3 hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that failure to timely perform any of the terms, conditions, obligations or provisions hereof by either party shall constitute a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

21. <u>Construction</u>; Advice of Counsel. The Parties agree that each has consulted with an attorney who has actively participated in the drafting and negotiation of this Agreement and that the provisions of this Agreement will not be construed in favor of either Party.

22. <u>Memorandum of Option/ ROFR</u>. Upon the request of either party, the parties shall execute a Memorandum of Option/ROFR, which may be recorded after execution by the requesting party at its expense. However, G3 covenants to execute and deliver to the District to immediately on the expiration or earlier termination of the term of this agreement a quitclaim deed in recordable form releasing and reconveying to the District all right, title, and interest of G3 in the Option/ROFR Property if a Memorandum of Option/ ROFR has been executed, whether or not recorded.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

#### **DISTRICT:**

Approved as to content for District:

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

Chris Hastert, General Manager

Approved as to form for District:

District Counsel

By: _____

Hugh Rafferty, President

Ву: _____

Carl Engel, Secretary

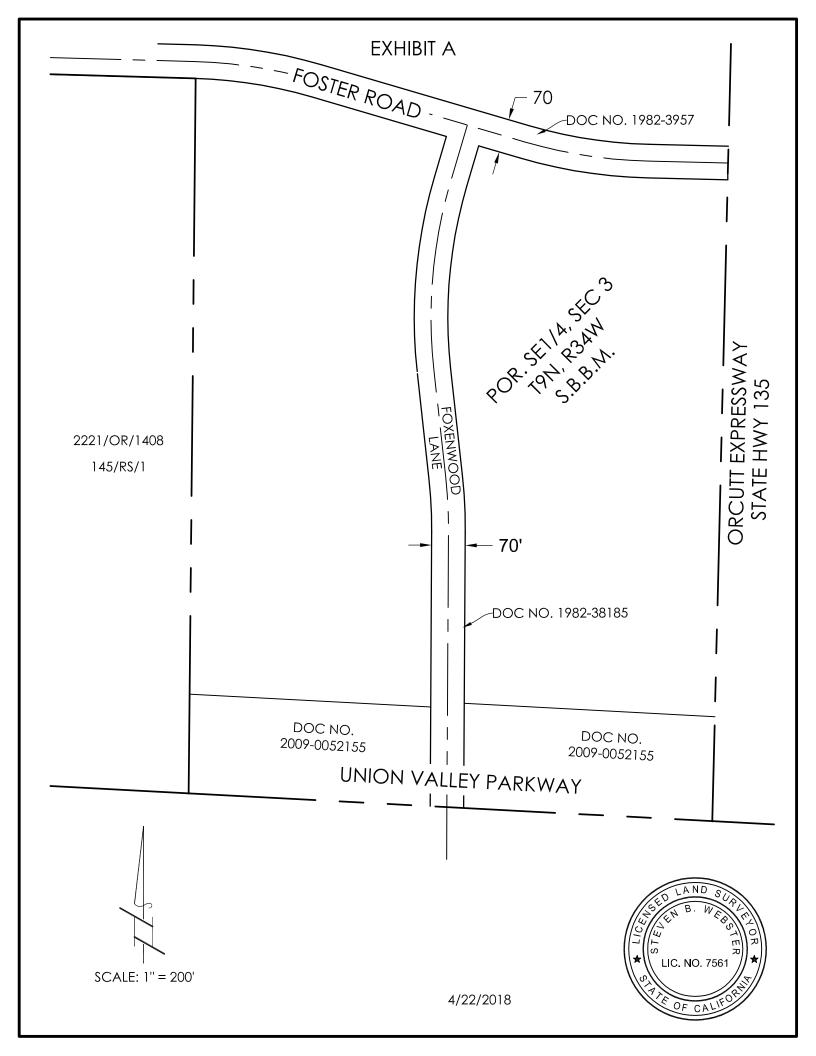
### G3:

G3, LLC, a California limited liability company

By:	 	 	
Name:	 	 	
Its:			

# EXHIBIT "A"

**Option/ROFR** Property Map



# Exhibit "B"

**Option/ROFR Property Legal Description** 

# Exhibit B Leased Property Legal Description

A portion of the Southeast Quarter of Section 3, Township 9 North, Range 34 West, San Bernardino Base and Meridian, in the City of Santa Maria, Santa Barbara County, State of California, described more particularly as follows:

Commencing at the southeasterly corner of the parcel described in Document No. 5741, recorded February 13, 1968, in Book 2221, Page 1408 of Official Records of said county, and shown on the map filed in Book 145 Record of Survey at Page 1, of said county; thence,

Northerly along the easterly line of said parcel North 0°46'42" East, a distance of 423.74 feet to the True Point of Beginning; thence,

Leaving the easterly line of said parcel South 86°45'25" East, a distance of 502.19 feet to a point on the westerly right of way of the 70-foot frontage road as described in Document No. 1982-020745, of Official Records of said county; thence,

Along said westerly right of way, North 0°32'31" East, a distance of 147.46 feet to a curve, concaved to the west, having a radius of 965.00 feet; thence,

Northerly and northwesterly along said curve, through a central angle of 6°35'20" distance of 110.97 feet; thence,

North 6°02'49" West, a distance of 189.08 feet; thence,

Leaving said westerly right of way, North 86°45'25" West a distance of 472.25 feet to a point on the easterly line of said parcel described in Document No. 5741; thence,

Along said easterly line South 0°46'42" West a distance of 444.61 feet to the Point of Beginning.

The parcel described contains 5.0 acres more or less and is shown graphically on Exhibit B1 herein attached.

Low BWabola

3/5/19



# Exhibit "C"

Form of Lease Agreement

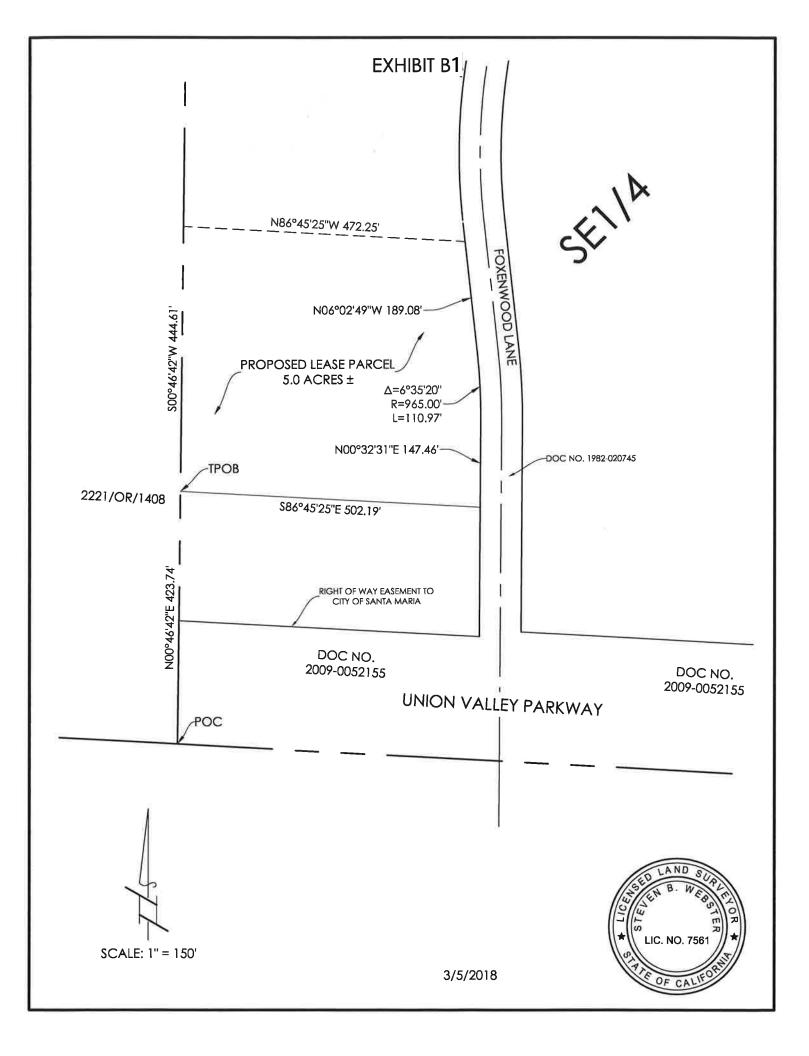


Exhibit "D" Existing Leases

#### SEVENTEENTH AMENDMENT OF LEASE

Re: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000 between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport, as extended ("Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Leased Premises</u>. Effective August 23, 2018 the leased area is increased by approximately 26.5 acres for a total of approximately 140.8 acres of land for agricultural use. The additional leased area is shown on Exhibit A-1 dated August 20, 2018.

2. <u>Rent</u>. Rent for the additional area shall be waived through December 31, 2019 as acknowledgment of the extensive effort required to place the increased area into agricultural production including clearing/grubbing, grading, and engineering and installation of a waterline from the adjacent property. Effective January 1, 2019 rent for the existing 114.30 acres is increased to \$11,173.00 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,173.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

3. <u>Extension of Term</u>. District grants Tenant a one (1) year extension of the Lease, commencing January 1, 2019, and expiring on December 31, 2019, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

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

Dated: August 23, 2018

Approved as to content for District:

General Manager

Approved as to form for District:

**District** Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

Hugh

Carl Engel, Secretary

CJJ FARMING, a California corporation

Juan Cisneros, General Manager

Jesus Cisperos, Secretary



The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Rent</u>. Effective January 1, 2018 rent is increased to \$10,763.25 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,130.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

2. <u>Extension of Term</u>. District grants Tenant a one (1) year extension of the Lease, commencing January 1, 2018, and expiring on December 31, 2018, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

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

Dated: December 14, 2017

Approved as to content for District

General Manager

Approved as to form for District District Counsel

SANTA MARIA PUBLIC AIRPORT DIGT AC. Carl Engel, President

Chuck Adams, Secretary

CJJ FARMING, a Valifornia corporation Juan Cisneros, General Manager

Jesus Cisneros, Secretary

#### FIFTEENTH AMENDMENT OF LEASE

Re: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000 between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport, as extended ("Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Rent</u>. Effective January 1, 2017 rent is increased to \$10,477.50 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,100.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

2. <u>Extension of Term</u>. District grants Tenant a one (1) year extension of the Lease, commencing January 1, 2017, and expiring on December 31, 2017, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

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

Dated: December 8, 2016

Approved as to content for District

**General Manager** 

Approved as to form for District **District Counsel** 

SANTA MARIA PUBLIC AIRPORT DISTRICT Carl Engel, President Hugh Rafferty, Secretar a California corporation CJJ FARMING. Juan Cisheros, General Manager Jesus Cisneros, Secretary

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Rent</u>. Effective January 1, 2016 rent is increased to \$10,306.00 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,082.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

2. <u>Extension of Term</u>. District grants Tenant a one (1) year extension of the Lease, commencing January 1, 2016, and expiring on December 31, 2016, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

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

Dated: January 28, 2016

Approved as to content for District

General Manager

Approved as to form for District **District** Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT Carl Engel, President

Hugh Rafferty. Secretary **CJJ FARMING** a California corporation Juan Gisneros, General Manager Jesus Cisneros, Secretary



The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Rent</u>. Effective January 1, 2015 rent is increased to \$10,258.00 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,077.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

2. <u>Extension of Term</u>. District grants Tenant a one (1) year extension of the Lease, commencing January 1, 2015, and expiring on December 31, 2015, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

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

Dated: January 22, 2015

Approved as to content for District

General Manager

Approved as to form for District **District** Counse

SANTA MARIA PUBLIC AIRPORT DISTRICT Charles Adams, President Don Lahr, Secretary CJJ FARMING, a California corporation Juan Cisheros, General Manager Jesus Cisneros, Secretary

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Rent</u>. Effective January 1, 2014 rent is increased to \$10,154.00 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,066.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

2. <u>Extension of Term</u>. District grants Tenant a one (1) year extension of the Lease, commencing January 1, 2014, and expiring on December 31, 2014, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

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

Dated: November 14, 2013

Approved as to content for District

General Manager

Approved as to form for District

District Counse

SANTA MARIA PUBLIC AIRPORT

Charles J. Damiano President

Don Lahr, Secretary

CJJ FARMING a California corporation

Juan Cisneros, General Manager

Jesus Cisneros, Secretary

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Rent</u>. Effective retroactively to January 1, 2013 rent is increased to \$10,020.00 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,052.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

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

Dated: February 14, 2013

Approved as to content for District

**General Manager** 

Approved as to form for District District Counsel

IC AIRPORT SANTA MARIA DISTRICT Charles J. Damiano resident Don Lahr, Secretary CJJ FARMING, a California corporation Juan Cisneros, General Manager Jesus Cisneros, Secretary

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Extension of Term</u>. District grants Tenant an extension of the Lease, commencing January 1, 2013, and expiring on December 31, 2013, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

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

Dated: December 13, 2012

Approved as to content for District

General Manager

Approved as to form for District

District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT President Secretary CJJ FARMING, a California corporation Juan Cisneros, General Manager Jesus Cisneros, Secretary

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. <u>Rent</u>. Rent is increased to \$9,820.00 per month, based upon approximately 114.30 acres of land for agricultural/farming at the rate of \$1,031.00 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises.

2. <u>Extension of Term</u>. District grants Tenant a nine (9) month extension of the Lease, commencing April 1, 2012, and expiring on December 31, 2012, unless sooner terminated. No options to extend are granted; any additional extension of this Lease shall be by mutual agreement of the parties only.

3. Effective April 1, 2012, the Premises will consist of approximately 114.3 acres for agricultural/farming as designated on Exhibit "A" dated April 1, 2012, (hereafter "Exhibit 'A"). The previous condition of paragraph 1 of the Eighth Amendment of Lease requiring for the 55.54 acre portion to be designated as "grazing is deleted entirely.

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

Dated: March 22, 2012

Approved as to content for District

General Manager

Approved as to form for District

District Counsel

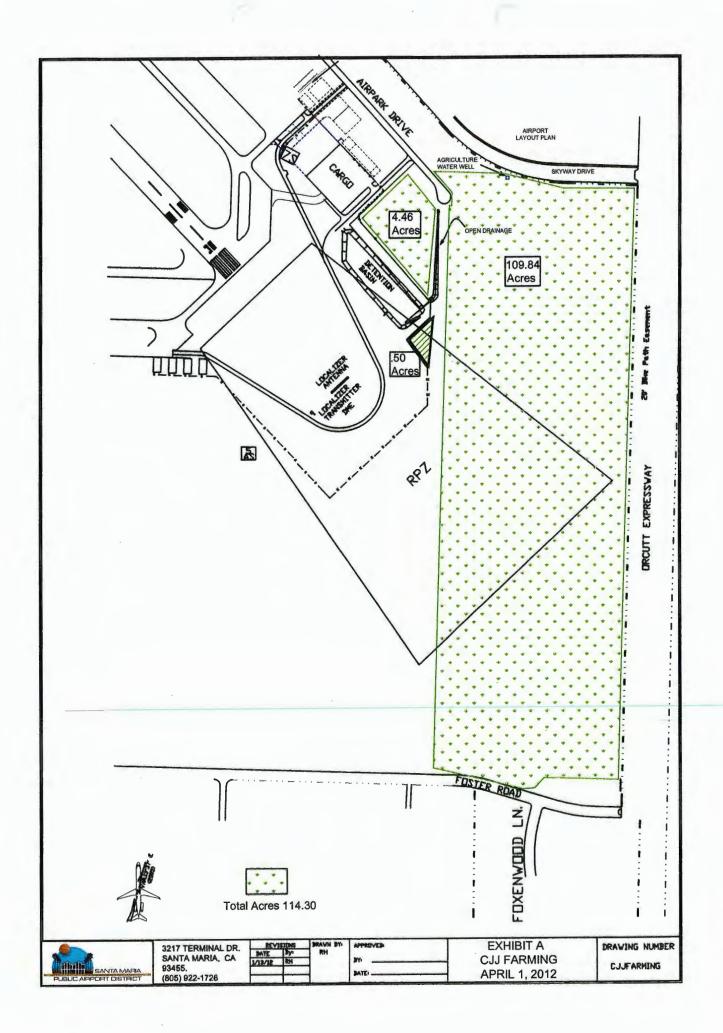
SANTA MARIA PUBLIC AIRPORT DISTRICT CARLENGEL, JR., President

etary

a California corporation CJJ FARMING,

Juan Cisneros, General Manager

Jesus Cisneros, Secretary



The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. Tenant may continue to use the 55.54-acre portion designated as "grazing" on Exhibit "A" dated 3/23/06 (attached to the Third Amendment of Lease), to grow and harvest crops until March 31, 2012.

2. As a condition of the extension of the right to grow crops on the 55.54-acre portion, Tenant shall not allow dust arising from operations on any portion of the entire leased premises to escape from the leased premises ("Fugitive Dust"). Tenant shall take all steps necessary to avoid creating Fugitive Dust, including but not limited to use of a water truck or other method to dampen the ground before plowing or tilling, and/or reschedule dust-creating operations to a less windy day.

3. Tenant shall not plant any trees on the premises without District's prior written consent. Tenant shall prune or remove, at Tenant's sole expense, any trees that constitute a safety hazard to either aviation or others within thirty (30) days of written notice from District to do so.

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

Dated: May 27, 2010

Approved as to content for District

General Manager

Approved as to form for District

**District** Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT ENGEL HUG CJJ FARMING, a California corporation Juan Cisneros, General Manager

Jesus Cisneros, Secretary

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. Tenant may continue to use the 55.54-acre portion designated as "grazing" on Exhibit "A" dated 3/23/06 (attached to the Third Amendment of Lease), to grow and harvest crops until October 31, 2010. All crops must be harvested and removed from the "grazing" portion by October 31, 2010. As of November 1, 2010, only the grazing of livestock (defined as cattle and horses) is permitted on the "grazing" portion.

2. As a condition of the extension of the right to grow crops on the 55.54-acre portion, Tenant shall not allow dust arising from operations on any portion of the entire leased premises to escape from the leased premises ("Fugitive Dust"). Tenant shall take all steps necessary to avoid creating Fugitive Dust, including but not limited to use of a water truck or other method to dampen the ground before plowing or tilling, and/or reschedule dust-creating operations to a less windy day.

3. Tenant shall not plant any trees on the premises without District's prior written consent. Tenant shall prune or remove, at Tenant's sole expense, any trees that constitute a safety hazard to either aviation or others within thirty (30) days of written notice from District to do so.

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

Dated: October 8, 2009

Approved as to content for District

General Manager

Approved as to form for District

Junell

District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT Theodore J. Eckert, President Carl Engel, Jr., Secretary CJJ FARMING, a California corporation Juan Cisneros, General Manager Jesus Cisneros, Secretary

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. Tenant may continue to use the 55.54-acre portion designated as "grazing" on Exhibit "A" dated 3/23/06 (attached to the Third Amendment of Lease), to grow and harvest crops until October 31, 2009. All crops must be harvested and removed from the "grazing" portion by October 31, 2009. As of November 1, 2009, only the grazing of livestock (defined as cattle and horses) is permitted on the "grazing" portion.

2. As a condition of the extension of the right to grow crops on the 55.54-acre portion, Tenant shall not allow dust arising from operations on any portion of the entire leased premises to escape from the leased premises ("Fugitive Dust"). Tenant shall take all steps necessary to avoid creating Fugitive Dust, including but not limited to use of a water truck or other method to dampen the ground before plowing or tilling, and/or reschedule dust-creating operations to a less windy day.

3. Tenant shall not plant any trees on the premises without District's prior written consent. Tenant shall prune or remove, at Tenant's sole expense, any trees that constitute a safety hazard to either aviation or others within thirty (30) days of written notice from District to do so.

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

Dated: November 13, 2008

Approved as to content for District

General Manager

Approved as to form for District

lunel

District Counse

SANTA MARIA PUBLIC AIRPORT DISTRICT Lahr. President Donald Theodore J. Eckert, Secretary CJJ FARMING, a California corporation Juan Cisneros, General Manager

Jesus Cisneros, Secretary

# FIFTH AMENDMENT OF LEASE

Re: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000 between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport, as extended ("Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. Tenant may continue to use the 55.54-acre portion designated as "grazing" on Exhibit "A" dated 3/23/06 (attached to the Third Amendment of Lease), to grow and harvest crops until October 31, 2008. All crops must be harvested and removed from the "grazing" portion by October 31, 2008. As of November 1, 2008, only the grazing of livestock (defined as cattle and horses) is permitted on the "grazing" portion.

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

Dated: October 11, 2007

Approved as to content for District

General Manage

Approved as to form for District

anse is

District Counsel

SANTA MARIA RUBLIC AIRPORT DISTRICT Carl Engel, Jr., President

Donald A. Lahr, Secretary

CJJ FARMING, a California corporation

Juan Cisheros, General Manager

esus Cisneros, Secretary

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## FOURTH AMENDMENT OF LEASE

Re: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000 between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport, as extended ("Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. Tenant may continue to use the 55.54-acre portion designated as "grazing" on Exhibit "A" dated 3/23/06 (attached to the Third Amendment of Lease), to grow and harvest crops until October 31, 2007. All crops must be harvested and removed from the "grazing" portion by October 31, 2007. As of November 1, 2007, only the grazing of livestock (defined as cattle and horses) is permitted on the "grazing" portion.

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

Dated: September 28, 2006

Approved as to content for District DISTRICT

General Manager

Approved as to form/for District usell

District Counsel

SANTA MARIA PUBLIC AIRPORT

Theodore J. Eckert, President

Carl Engel, Jr., Secretary

CJJ FARMING, a California corporation Juan Cisneros, General Manager

Jesus Cisneros, Secretary

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# THIRD AMENDMENT OF LEASE

Re: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000 between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport, as extended ("Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective as set forth below, as follows:

1. Effective retroactively to February 1, 2006, the Premises are increased by 1.9 acres for agricultural/farming. Effective April 1, 2006, Exhibit "A" dated January 12, 2006, is deleted in its entirety, and Exhibit "A" dated March 23, 2006 is substituted in its place. Effective April 1, 2006, the Premises will consist of approximately 114.3 acres (58.76 acres for agricultural/farming and 55.54 acres for grazing) as designated on Exhibit "A" dated March 23, 2006 (hereafter "Exhibit 'A").

The 55.54-acre portion designated as "grazing" on Exhibit "A" may be used to grow and harvest crops until October 31, 2006. All crops must be harvested and removed from the grazing portion by October 31, 2006.

2. Condition 5.c of the Second Amendment of Lease requiring Tenant to remove the pump house is deleted in its entirety.

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

Dated: March 23, 2006

Approved as to content for District DISTRICT

General Manager

Approved as to form for District

District Counsel

Carl Engel, Jr., Secretary

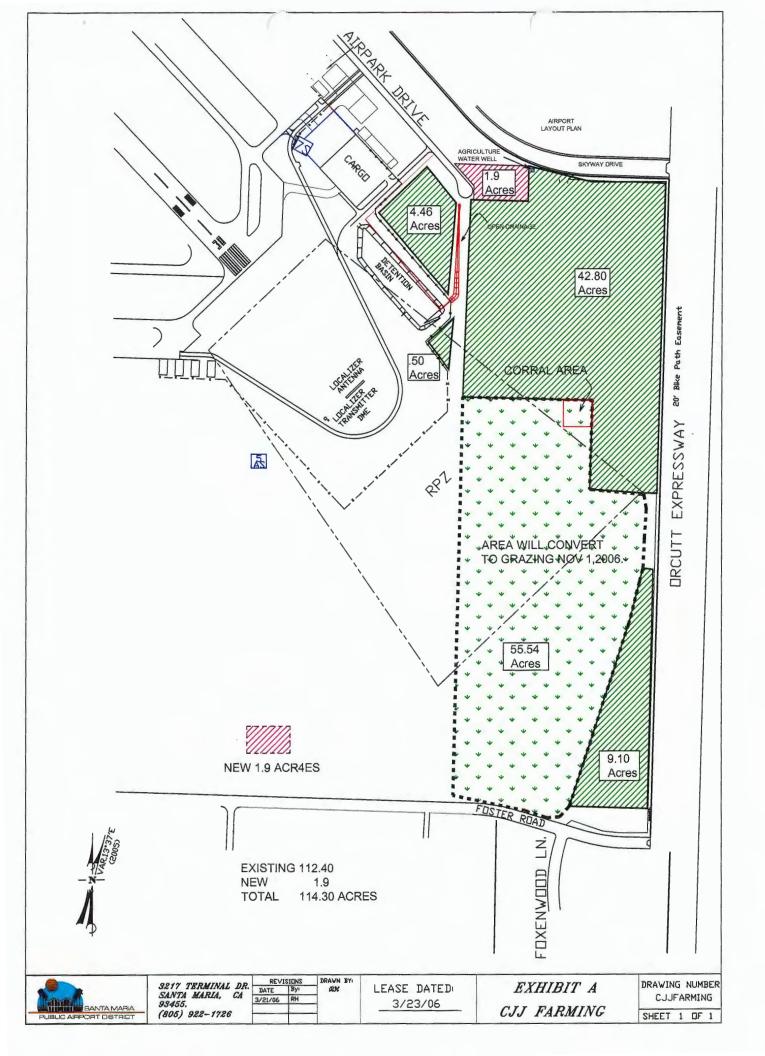
CJJ FARMING, a California corporation

SANTA MARIA PUBLIC AIRPORT

Theodore J. Eckert, President

Juan Cisneros, General Manager esus Cisneros, Secretary

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## SECOND AMENDMENT OF LEASE

RE: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000, between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport (the "Lease")

` The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease, effective March 31, 2006, as follows:

1. **Extension of Term.** The Lease shall be extended for six (6) years, commencing on April 1, 2006, and ending on March 31, 2012, unless sooner terminated pursuant to the terms of this Lease.

2. Change in Premises/Conversion of Portion from Farming to Grazing Effective November 1, 2006. Exhibit "A" attached to the original Lease and Exhibit "A" dated September 1, 2004 attached to the First Amendment of Lease are deleted in their entirety and Exhibit "A" dated January 12, 2006 attached and incorporated by this reference is substituted in their place. The Premises now consist of approximately 112.4 acres (56.86 for agricultural/farming and 55.54 for grazing), as designated on Exhibit "A" dated January 12, 2006 (hereafter "Exhibit "A").

The 55.54-acre portion designated as "grazing" on Exhibit "A" may be used to grow and harvest crops until October 31, 2006. All crops must be harvested and removed from the grazing portion by October 31, 2006.

3. **Permitted Uses/Grazing Added.** The Permitted Uses in Paragraph 6 of the Lease are amended to allow grazing by cattle and horses on the portion designated as "grazing" on Exhibit "A". As of November 1, 2006, only the grazing of livestock (defined as cattle and horses) is permitted on the grazing portion.

4. **Rent Increase.** Effective April 1, 2006, the rent is increased to \$700 per acre per year, payable quarterly in advance on the first day of January, April, July and October of each year. Once the portion designated as "grazing" on Exhibit "A" is converted to grazing, the rent for those 55.54 acres shall be reduced to \$10 per acre per year. Effective July 1, 2007, and annually thereafter on July 1 of each calendar year, each per-acre rental rate shall be adjusted upwards, but not downwards, by the percentage proportion of the change in the Consumer Price Index, All Items, 1982-84 = 100, Los Angeles-Anaheim-Riverside, For All Urban Consumers (the "CPI") published by the United States Department of Labor, Bureau of Labor Statistics, or its successor in function, for the most recent twelve-month period available before the adjustment date.

5. **Conditions.** The following are conditions to the continuance of this Lease, which Tenant shall perform, at Tenant's sole cost and expense, unless otherwise specified:

a. Tenant shall maintain sufficient livestock on the grazing portion of the Premises so that vegetation does not create a fire hazard or require mowing.

b. Tenant shall relocate the existing fuel tank in accordance with all laws, ordinances and regulations, and with all required permits, to the Premises, at a location approved by District's General Manager. Tenant shall (i) test the soil surrounding the existing fuel tank to

determine whether any contamination exists, and (ii) remediate any contamination. Tenant shall do both the testing and the remediation to the satisfaction of District and any regulatory agency having jurisdiction. Tenant shall remove the concrete beneath the existing fuel tank and dispose of it legally off Airport.

c. Tenant shall raze the existing pump house and dispose of the debris legally off Airport. Tenant may replace the pump house with a new structure, conditioned on the District's General Manager's prior approval of the location, design and appearance.

d. Tenant shall maintain the ditch east of the detention basin to the satisfaction of District's General Manager.

e. Tenant shall plant grass for grazing in the acreage designated for grazing as soon as the last crop is harvested.

f. Tenant shall obtain the approval of the District's General Manager prior to constructing any improvements or structures on the Premises, including, but not limited to, a new pump house, a strawberry stand, corral and/or fences.

g. Tenant shall fence the grazing area from the agricultural area and from the rest of the Airport to the satisfaction of District's General Manager, and maintain those fences. District will mark the location for the fences. Tenant shall not allow any gate to be left open unless it is attended in such a manner as to prevent the escape of livestock or unattended entry by livestock onto roads or property of the Airport or others.

6. **Prohibited Uses.** In addition to the uses prohibited in Paragraph 7 of the Lease, Tenant shall not use or permit use of the Premises or the Airport, or any portions thereof for any of the following purposes:

a. Retail sale of livestock.

b. Grazing by or pasturing of livestock not owned by Tenant. Tenant shall provide District with all brands registered to Tenant.

c. Conduct a feedlot operation or provide any fenced enclosure specifically for the purpose of feeding livestock, except feeding on naturally growing ground cover is permitted.

d. Irrigation of grazing portion after initial grass is established.

e. Permit any residential use or overnight camping or occupancy.

f. Any use other than the permitted uses.

7. **Insurance.** The insurance requirements of Paragraph 13 of the Lease are amended to substitute the following coverages and liability limits:

a. Comprehensive commercial general liability insurance, including public liability, property damage liability, bodily injury and death liability, and contractual liability with the following minimum liability limits: combined single limit of at least \$1,000,000 per occurrence.

b. Automobile liability insurance and farm equipment liability insurance for all equipment and vehicles used on the Airport with a combined single limit of bodily injury and property damage liability of at least \$300,000 per person and \$500,000 for each occurrence.

Strawberry Stand/Approvals/Percentage Rent/District Right to Audit. Tenant 8. may establish a strawberry stand on the Premises, subject to the District's General Manager's prior approval of the structure's size, design, appearance and location, and subject further to the City of Santa Maria's approval of such a use and structure and conditioned on compliance with all terms and conditions of approval. In the event a strawberry stand is approved and constructed by Tenant, the prohibition against retail sale of any crop produced on the Premises in Paragraph 7(a) shall be deemed deleted. If permitted by the City of Santa Maria, Tenant shall also have the right to sell fruits and vegetables grown by Tenant at other locations at the strawberry stand. Tenant shall pay District six percent (6%) of the gross sales conducted on or from the Premises each calendar month, as additional rent for the Premises, on or before the 25th day of the month following the month for which the sales occurred. District shall have the right to audit Tenant's books and records, at any time, to verify the reported sales and percentage rent payment. Tenant shall make its books and records available at District's offices within ten (10) calendar days after receipt of District's notice of exercise of right to audit books. Tenant shall immediately pay District any additional percentage rent determined to be due by the audit, plus ten percent (10%) interest from the date due until the date paid. In the event Tenant has understated its percentage rent by five percent (5%) or more, Tenant shall pay District for all costs of the audit. If Tenant understates its percentage rent more than twice in any twelve-month period, or violates any terms or conditions of any permit or approval for the strawberry stand. District shall have the right to require Tenant to remove the strawberry stand and cease retail sales from the Premises.

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

Dated: January 12, 2006

Approved as to content for District: General Manager

Approved as to form for District:

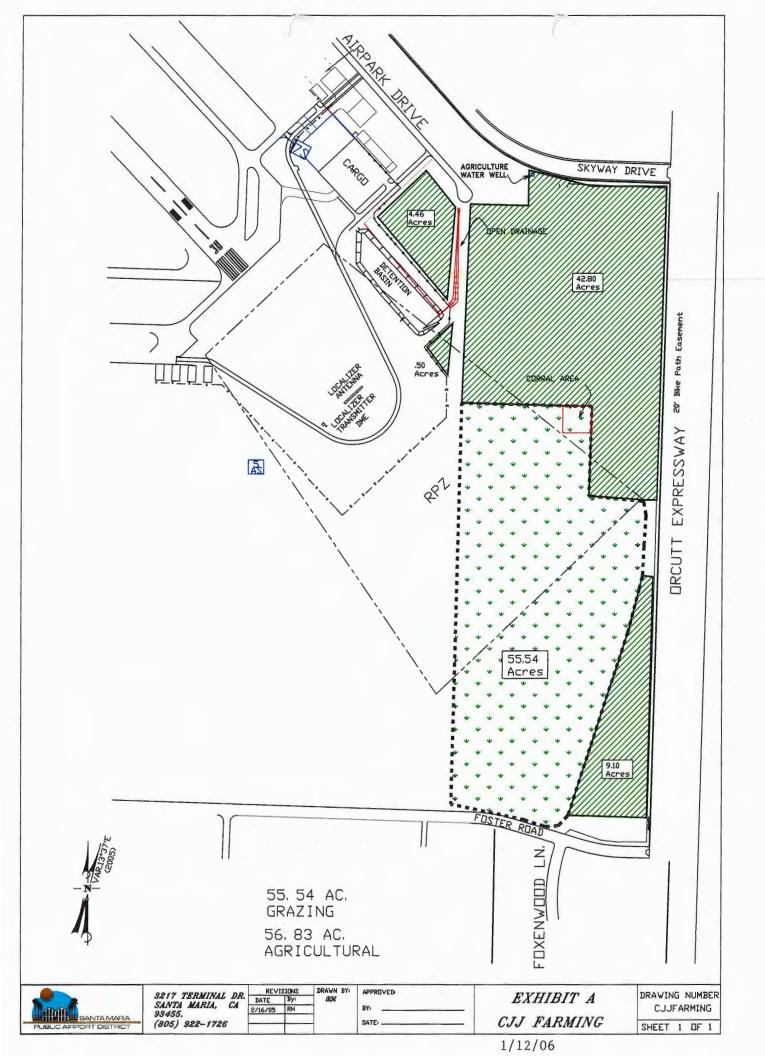
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SANTA MARIA PUBLIC AIRPORT DISTRICT BV neodore D. Eckert/President By: Carl Engel, Jr., Secretary

TENANT:

CJJ FARMING, a California corporation Bv Juan Cisheros, General Manager B Jesus Cisneros, Secretary

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## ST AMENDMENT OF LEASE

RE: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000, between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport (the "Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and CJJ FARMING, a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease, effective September 1, 2004, as follows:

Effective September 1, 2004, the premises are reduced to 103 acres, by eliminating 1. Section B (14.97 acres) from the original 117.97 acres, to facilitate District's construction of an air cargo ramp. The premises are shown on the plot plan marked Exhibit "A" dated September 1, 2004, attached and incorporated by this reference.

2. On or before August 31, 2004, Tenant shall remove all crops, plastic sheeting, irrigation system, including the main irrigation pipeline, equipment and other property from the premises at Tenant's sole cost and expense.

Since Tenant has paid the quarterly rent payment of \$19,170.13 due on July 1, 2004, (in 3. advance for the months of July, August and September 2004,) Tenant shall be entitled to a one month's rent credit in the amount of \$810.88 for the acreage removed effective September 1, 2004  $($650/acre/year \times 14.97 acres = $9,730.50 \div 12 months = $810.88/month)$ . The guarterly rent payment, due October 1, 2004 shall be reduced by the rent attributable to the 14.97 acres. The quarterly rent payment shall be \$15,926.62 (103 acres x \$650/acre/year = \$66,950 ÷ 4 quarters = \$16,737.50 - 810.88 rent credit). The quarterly rent payment due January 1, 2005, and subsequent quarterly rent payments shall be \$16,737.50 (103 acres X \$650/acre/year=\$66,950÷ 4 guarters = \$16,737.50).

Tenant shall have the option, good for thirty (30) days after notice from District that 4. construction of the air cargo ramp is complete, to lease approximately 4.46 acres of land remaining after construction of the air cargo facility, under the same terms and conditions of the Lease. Rent shall remain at \$650/acre/year. A written amendment to the Lease is required before Tenant may farm the land.

Tenant shall, at Tenant's sole cost and expense, if Tenant exercises its option to lease the 5. 4.46 acres, reinstall the main irrigation pipeline and irrigation system.

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

Dated: July 22, 2004 Approved as to content for District: min 1 101

General Manager Approved as to form for District: Kunell

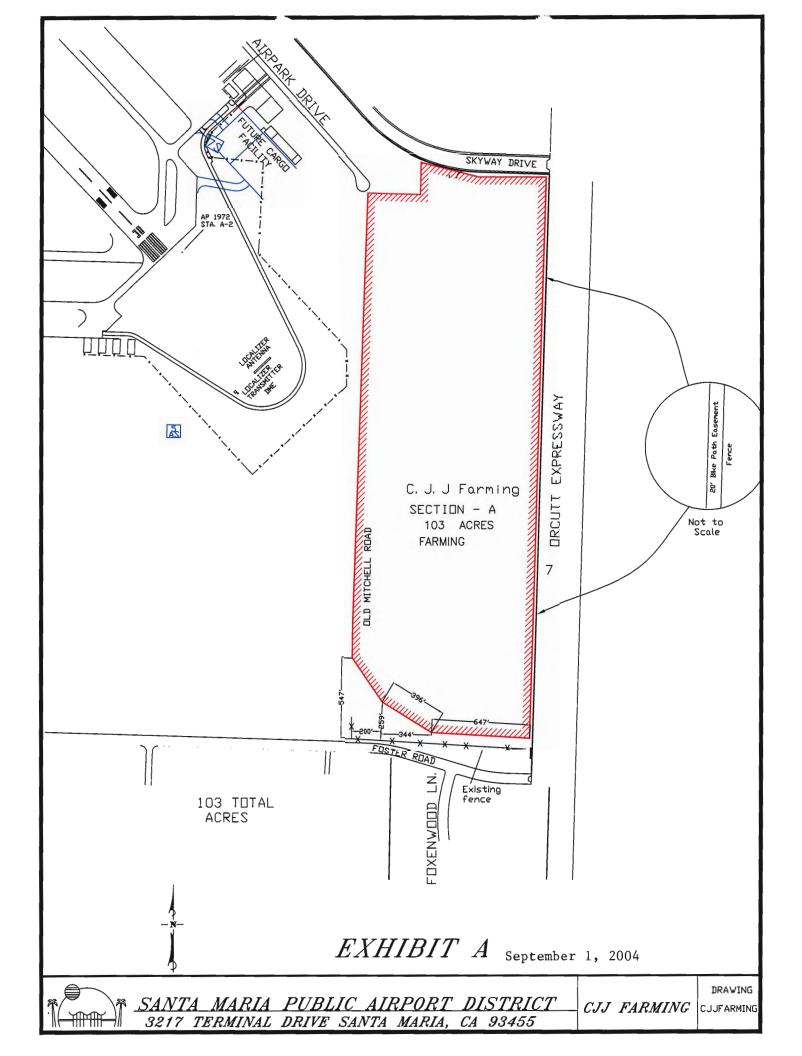
strict Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

Bv: lucker. President By: Carl Engel, Secretary

TENANT:

CJJ FARMING, a California corporation B Juan Gisneros, General Manager Jesus Claneros, Secretary



## LAND LEASE (Farming)

THIS LEASE, dated April 13, 2000, and commencing retroactively on April 1, 2000, is made and executed by and between SANTA MARIA PUBLIC AIRPORT DISTRICT, a public district of the State of California (herein called "District") and CJJ FARMING, a California corporation, (herein called "Tenant").

1. Leased Premises. District hereby leases to Tenant, and Tenant hires from District, for the term and rents, upon the terms, conditions and covenants, subject to the reserved rights and easements hereinafter set forth, the real property at the Santa Maria Public Airport (the "Airport") in Santa Maria, California, consisting of approximately 117.97 acres, as shown on Sections A (103 acres) and B (14.97 acres) on the plot plan marked Exhibit "A" attached hereto and made a part hereof, together with those appurtenances specifically granted in this lease (herein referred to as the "premises" or "leased premises"). The premises do not include a 35-foot wide strip inside the fence along Orcutt Expressway from Skyway Drive to Foster Road which will be used by the City of Santa Maria for a 15-foot temporary easement for construction of a bikeway and a 20-foot wide permanent bikeway easement, nor areas formerly leased for farming which will be developed as part of the first phase of the District's Research Park along Foster Road.

Neither District nor Tenant shall have any obligation to construct a new fence to mark the boundaries of the premises, but either party may do so; provided Tenant shall comply with the provisions of Paragraph 14. <u>Alterations.</u> After construction of the bikeway, the parties shall amend this lease to include the 15-foot temporary easement and acreage and rent shall be proportionately increased through the amendment. Tenant shall have no right to plant crops in the temporary easement area until this agreement has been amended in writing.

2. <u>Lease Term</u>. The term of this lease shall be for a six-year (6) period commencing on April 1, 2000, and expiring, unless sooner terminated as hereinafter provided, at midnight on March 31, 2006, (herein referred to as the "lease term"). The words "term of this lease" or "lease term" or "term", as used in this lease, mean and include the term of this lease.

3. Tenant Agreements. Tenant shall:

(a) remove all trees and tree stumps on the premises by November 1, 2000;

(b) laser-plane the entire premises to maximize the premises potential for farming by February 1, 2001, and

(c) consolidate all farming and operating equipment on the premises into one (1) location approved by District's General Manager, by May 1, 2000.

4. <u>District's Right to Terminate</u>. District may terminate this lease upon sixty (60) days written notice to Tenant if District determines that irrigation of the leased premises is contributing to soil saturation/liquefaction beneath the Airport operating pavements. District shall refund a pro rata portion of any prepaid rent.

Notwithstanding any other provisions contained in this lease, District shall have the right to terminate this lease agreement in the event District (i) intends to sell the leased premises or any portion thereof, or (ii) intends to lease to others the leased premises or any portion thereof for any use or purpose other than raising strawberries or other crops or (iii) desires to use the leased premises or any portion thereof for airport or aeronautical purposes, or any purpose other than the permitted uses as specified in paragraph 5; or (iv) desires to develop the leased premises or any portion thereof for commercial or industrial purposes or related infrastructure; provided District shall have given Tenant written notice of the exercise of such right at least six (6) months prior to the date as of which such termination is to be effective. Thereupon the term of this lease shall expire and come to an end on such date, as fully and completely as if that date were the day definitely fixed for expiration of the term.

5. <u>Rent</u>.

(a) Tenant shall pay to District as rent for the leased premises \$600 per acre, per year, prorated through September 30, 2000; \$625 per acre per year from October 1, 2000 to March 31, 2003; and \$650 per acre per year from April 1, 2003 through March 31, 2006. The rent is payable quarterly in advance on the first day of January, April, July, and October each year (in the amount of \$17,695.50 per each quarter through September 30, 2000; in the amount of \$18,432.81 per quarter from October 1, 2000 to March 31, 2003 and \$19,170.13 per quarter from April 1, 2003 to March 31, 2006. At such time as the temporary easement area is available for planting, these rents shall be increased to include the additional land.

(b) Payment. Rent is payable without prior notice or demand, or without deduction or offset at District's office at 3217 Terminal Drive,

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Santa Maria, California 93455 or such other address as District may direct Tenant in writing.

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

6. <u>Permitted Uses of Premises</u>. Tenant shall use the leased premises only for raising strawberries and other fruit and vegetable crops and for equipment storage related to the raising of crops on the premises. Tenant shall not use the premises or any portion thereof for any other purposes. Nothing contained herein shall be deemed to give Tenant exclusive rights at the Airport in connection with any of the permitted uses herein. No active roadways are included within the premises.

7. <u>Specific Prohibited Uses</u>. Tenant shall not use or permit use of the premises or the Airport, or any portions thereof, for any of the following purposes:

(a) Retail sale of any crop or product produced on the premises.

(b) Use any portion of the Airport contrary to or in violation of the directives, rules or regulations of the District.

(c) Store on the premises or elsewhere on the Airport any property or articles, or conduct any activities or operations which are not directly related or incident to the permitted uses in paragraph 5 of this lease.

(d) Erect any structure except fences and gates on the premises, or plant any trees on the premises.

(e) 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.

(f) Use or locate on the premises any material which would cause sunlight to be reflected toward an aircraft on initial climb or final approach.

(g) Any use or activity which will generate smoke or attract large concentrations of birds or which may otherwise affect safe air navigation.

(h) Any use or activity which will generate dust. Tenant shall be immediately responsive to the requests of District to abate dust nuisance. If the Tenant is not responsive to District's request, the District shall rectify the situation at the sole expense of Tenant.

(i) Any use or activity which would direct steady or flashing lights at aircraft during initial climb or final approach.

(j) No livestock or animals of any nature shall be kept, maintained, stored or otherwise be present on the premises.

8. <u>Condition of Premises</u>. Tenant agrees to keep the premises, at Tenant's expense, clean and free from litter and in an orderly and sanitary condition at all times. Tenant agrees to make a diligent effort to prevent the spread of all noxious weeds, and rodents and other vertebrate pests on or from the leased premises and to take reasonable measures to protect the leased premises and airport from infestation of birds, insects and other pests. Tenant shall comply with all orders and instructions of District's General Manager in the use of the leased premises or Airport property which the General Manager deems in his sole discretion to be in the best interest of the District, the public or users of the Airport, or for their safety and welfare. Tenant shall maintain all fences on the premises, and repair any damage to any fence caused by Tenant or Tenant's operations on or use of the premises.

9. <u>Utilities</u>. District shall have no responsibility to provide utilities or utility extensions of any kind to the premises, and any such extension by Tenant shall be at Tenant's sole cost and expense after consent by District as provided in Paragraph 14 herein.

10. <u>Taxes, Licenses.</u> Tenant shall pay before delinquency any and all taxes, (including real property taxes) assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interests of Tenant, and personal property, improvements or fixtures owned, controlled or installed by Tenant and used or located on the Airport or Tenant's business. 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 business or operations.

11. <u>Assumption of Risks.</u> Tenant represents that Tenant has inspected the Airport and the premises and accepts the condition of the premises and fully assumes all risks incidental to the use of the Airport and the premises. District shall not be liable to Tenant's agents, employees, visitors, guests or invitees from any cause or condition whatsoever. District makes no warranty of the suitability of the premises for the purpose contemplated by Tenant by entry hereunder or that the leased premises are zoned for the uses permitted herein.

Indemnity. Tenant shall defend (with counsel acceptable 12. to hold harmless District, its directors, officers, and District). indemnify employees, agents and representatives, and the and Leased Premises ("District, etc.") at all times from and against any and all 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, etc. may incur, sustain or be subjected to (collectively referred to hereinafter as "Liabilities, etc.") arising out of or in any way connected with: the acts or omissions of Tenant or its officers, agents, employees, guests, customers, visitors or invitees; or Tenant's operations on, or use or occupancy of, the premises. The foregoing indemnification excludes only liability or loss caused by the sole active negligence of District or its willful However, Tenant shall indemnify and hold misconduct. "District. etc." harmless from and against any "Liabilities, etc." including third party claims, environmental requirements and environmental damages (as defined in Exhibit "B", Hazardous Material Definitions) costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the 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 (collectively referred to herein as "Release") of any toxic or hazardous materials (defined in Exhibit "B") which occurs in, on or about the Leased Premises as the result of any of Tenant's activities or the activities of any of Tenant's agents, employees, invitees, licensee, guests, successors or assigns, on the Leased Premises or the Airport. Tenant shall notify District immediately of any "release, etc." of any toxic or hazardous material on the Leased Premises.

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

Comprehensive public liability and property damage insurance, including bodily injury liability, property damage liability and contractual liability, with the following minimum liability limits: Combined single limit of liability of at least \$300,000 for each accident or occurrence.

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

14. Alterations: Removal of Tenant-Installed Property. Except as expressly permitted herein, Tenant shall make no alterations, additions or improvements on the premises or otherwise at the Airport without District's prior written consent. Tenant may make improvements suitable for the uses contemplated herein. All equipment and facilities installed by Tenant shall be installed and used in compliance with local, state and federal laws. ordinances, regulations and codes applicable thereto. All alterations, additions or improvements made by Tenant at the Airport shall, unless District elects otherwise as hereinafter provided, become the property of District. If District elects (upon written notice to Tenant of such election given prior to or within thirty (30) days of the expiration or termination of this lease) that all or a designated portion of the alterations, additions, or improvements made by Tenant shall be removed by and at expense of Tenant, then Tenant shall at Tenant's expense remove (within 30 days after such notice) such alterations, additions or improvements, or such portion thereof designated by District,

restore District's property to at least its former condition and repair any damage resulting from such removal.

15. <u>Airport Facilities</u>. Tenant's automobiles and other vehicles of Tenant and Tenant's employees and business invitees shall be parked, loaded and unloaded only on the premises. Tenant agrees to observe, obey and abide by all directives, rules and regulations for maintenance and conduct of Tenant's operations at the Airport, which may hereafter be imposed by District's board of directors, Federal Aviation Administration, City of Santa Maria, or any other governmental agency having jurisdiction over the subject matter. Tenant shall not store any supplies, materials, or vehicles on the premises or the Airport without the prior written consent of District's General Manager. District has no obligation to provide security guards, lighting or fencing. Tenant is specifically denied access to the runways and taxiways.

16. <u>Compliance With Laws</u>. Tenant will abide by and comply with all applicable and valid laws, rules, regulations and orders of federal, state and local governments and governmental agencies, including, but not limited to, any and all regulations concerning air quality and/or water quality, fire and/or occupational safety, or accessibility which may apply to the conduct of Tenant's business at the Airport.

Tenant specifically agrees that it is a condition of the continuation of this lease that all materials used by Tenant for which a Material Safety Data Sheet is required, or otherwise referenced or listed on Exhibit "B", will be stored, used and disposed of, together with any contaminated by-products of such use, in strict compliance with the applicable Material Safety Data Sheet or the requirements of the governmental agency with authority to regulate such storage, use and disposal. Tenant will maintain on the leased premises and available for inspection at any reasonable time adequate records of material stored, used or disposed of, including but not limited to Material Safety Data Sheets and Uniform Hazardous Waste Manifests for material shipped from the leased premises.

17. <u>Use of Hazardous Material</u>. Tenant 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 premises except by a person who is able to read and understand attached labels and precautions.

18. <u>Federal Aviation Administration Rider Attached</u>. The provisions of the FAA Rider attached hereto as Exhibit "C", consisting of four pages, are incorporated herein and made a part hereof.

19. <u>Repairs and Maintenance</u>. Except as otherwise provided herein, Tenant shall, at Tenant's sole cost, keep and maintain the premises and every part thereof in good and clean order, condition and repair, thereby waiving all rights to make repairs at the expense of District.

20. <u>Acceptance: Surrender.</u> By entry hereunder, Tenant accepts the premises as being in good order and condition for its permitted use and agrees on the last day of term hereof or sooner termination to surrender to District forthwith the premises in the same condition as when received, damage by acts of God or by the elements excepted, subject to the provisions of paragraph 13.

21. <u>Condemnation</u>. In the event of any taking or damage of all or any part of the premises or any interest therein by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the premises or any interest therein made in avoidance of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") during the term of this lease, this lease shall terminate as of the date of such appropriation, the rental shall be prorated to the date of termination, District shall be entitled to the entire award made with respect to such appropriation, and Tenant hereby assigns to District all of Tenant's interest, if any, in such award.

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

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

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

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

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

23. <u>Additional Remedies of District</u>. In addition to any other remedy District may have under this agreement or by operation of law, District shall have the right, in the event of Tenant's nonpayment of rentals reserved under this lease, or in the event of any other default by Tenant in the performance or observance of any of the terms or condition of this lease, or if Tenant shall abandon or vacate the premises, to terminate this lease upon written notice to Tenant and reenter the premises and eject all persons and remove all property, other than District's property, from the premises or any part of the premises. Any property removed from the premises upon reentry by District under this paragraph may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, and District shall have no liability therefor.

24. <u>Irrigation</u>. Tenant agrees that Tenant will permit and utilize only drip system means to irrigate strawberry plants or other crops on the leased premises. Tenant may use sprinkler systems to prepare the premises for planting.

25. <u>Use of Well 3 and Existing Reservoir and Piping</u>. Tenant shall have the non-exclusive right to use reasonable quantities of water from Well 3. Tenant shall use the water only for irrigation of crops on the premises. Tenant shall maintain the existing water pumping, storage and distribution system in good and sanitary order, free of leaks. Tenant shall test the watertight integrity of the storage and distribution system once each calendar quarter during the months of October, January, April, and July for each year of the term of this lease. Any leakage exceeding 100 gallons per day will be repaired within seven (7) days of such leak detection. All other leaks shall be repaired, if economically feasible, within a reasonable period of time. 26. <u>Notices</u>. All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and to Tenant at 1204 W. Cook St., Santa Maria, California 93454. 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.

27. <u>Nuisance</u>. Tenant 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 tenants or persons using the Airport.

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

29. <u>Attorneys' Fees</u>. In the event either party hereto commences any legal action or proceeding against the other party to perform or keep any term, covenant or condition of this lease to be kept or performed by the other party, the party prevailing in such action shall be entitled to recover court costs and a reasonable attorney's fee to be fixed by the court (including the reasonable value of services rendered in such action by District's appointed District Counsel).

## 30. <u>General</u>.

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

(b) One or more waivers by District of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition. District's consent to or approval of any act by Tenant requiring District's consent or approval of any act by Tenant requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent to or approval of any subsequent similar act by Tenant. No act or thing done by District or District's employees or agents shall be deemed an acceptance of a surrender of the premises, and no agreement to accept such surrender shall be valid unless in writing signed by District.

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

(d) Captions appearing herein are for convenience of reference only and shall not govern the construction of this agreement.

(e) If any provision of this agreement shall be held by a court of competent jurisdiction to be invalid, the remainder of this agreement shall continue in full force and effect and shall in no way be affected or invalidated thereby. This agreement contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this agreement. No provision of this agreement shall be deemed to have been waived by District unless such waiver be in writing signed by District. This agreement is made subject to any approval of the Federal Aviation Administration which may be required.

31. <u>Interpretation and Venue</u>. 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.

32. <u>District's Right of Entry</u>. District shall have the right to enter the premises at any reasonable time for inspections, to make repairs, to survey the premises, conduct tests on the premises, or to show the premises to prospective buyers or tenants. District and authorized agents of District, County of Santa Barbara and City of Santa Maria and utility companies shall have the right to enter the premises at all reasonable times for the purpose of inspecting the same and at any time in case of any emergency.

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

District

Approved as to content for District:

General Managei

SANTA MARIA PUBLIC AIRPORT DISTRICT

By THEODORE J, ECKERT, President

By VICTORIA ADAMS, Secretary

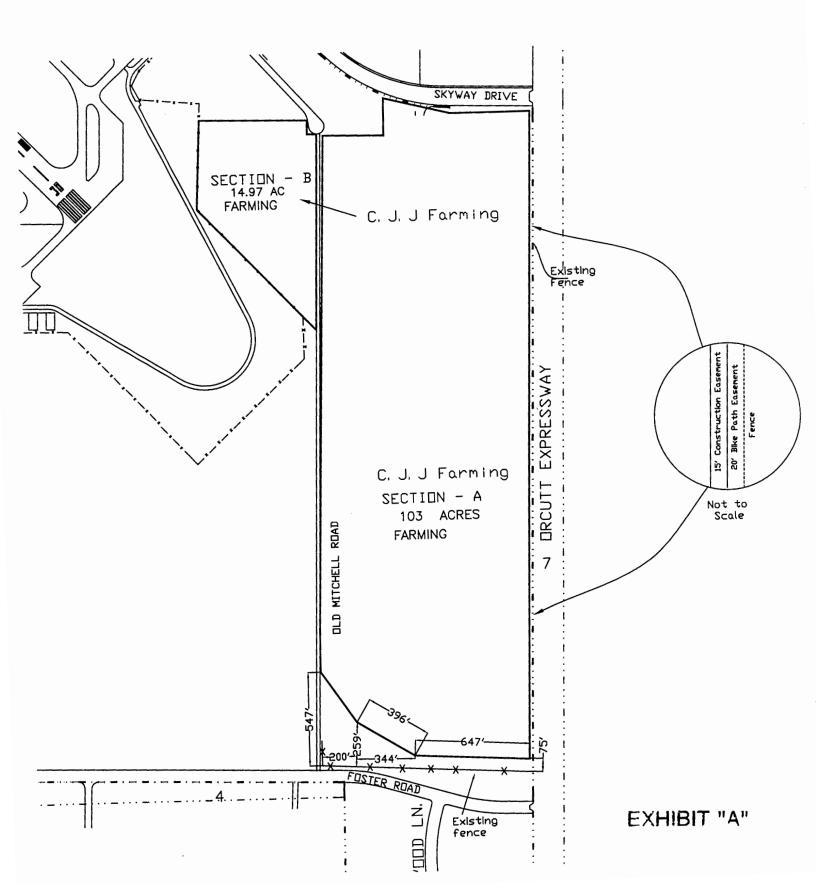
Approved as to form for District:

inell **District** Counsel

Tenant

CJJ FARMING, a California corporation

JUAN CISNEROS, Gen. Manager JESUS CISNEROS, Secretary



## 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 causes or threatens to cause a nuisance upon the Premises 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

(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 bipheynols (PCBs), asbestos or urea formaldehyde foam insulation; or

(viii) without limitation radon gas.

## <u>EXHIBIT "B</u>"

B-1

### B. ENVIRONMENTAL REQUIREMENTS

Environmental Requirements means all applicable present and future statutes, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, 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 discharges, releases, or threatened emissions, releases of Materials", "Hazardous 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 (including strict liability) 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 as a result of the existence of "Hazardous Materials" upon. about. beneath the Premises or migrating or threatening to migrate to or from the Premises, or the existence of a violation of "Environmental Requirements" pertaining to the Premises, regardless of whether the existence of such violation of "Environmental Requirements" "Hazardous Materials" or the arose prior to the present 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, (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, contractors, 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, or reasonably necessary to make full economic use of the Premises or any other property or otherwise expended in connection with such conditions, and including without limitation any attorneys' 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, 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.

#### RIDER

Rider to lease agreement dated April 13, 2000, (herein called "this lease") between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and CJJ FARMING, a California corporation, (herein called "Tenant") covering approximately 117.97 acres of land (herein called the "leased premises") at Santa Maria Public Airport (herein called the "Airport").

### 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 premises 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 premises 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 premises 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.

#### EXHIBIT "C"

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 premises 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 premises.

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

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

9. District reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

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

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

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 premises. 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 premises above the mean sea level elevation of 291 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased premises and to remove the offending structure of 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 premises 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 premises and cause the abatement of such interference at the expense of Tenant.

16. This lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

## Exhibit "D"

### Hazardous Materials <u>Definitions</u>

#### 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

or

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

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

(viii) without limitation radon gas.

#### B. <u>ENVIRONMENTAL REQUIREMENTS</u>

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. <u>ENVIRONMENTAL DAMAGES</u>

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**" agents, employees, invitees or officers') actions or omissions, regardless of whether the existence of such "**Hazardous Materials**" or the violation of "**Environmental Requirements**" arose prior to the present ownership or operation of the Premises, and including without limitation:

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

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

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

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

## Exhibit "E"

## FAA Rider

#### LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

1. Tenant, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the leased property described in this lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the leased property and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Tenant shall use the leased property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, District shall have the right to terminate this lease and to reenter and repossess the leased property and the facilities thereon and hold the same as if this lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

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

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

7. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or

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

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

9. District reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

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

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

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

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

14. Tenant by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the leased property above the mean sea level elevation of 300 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased property and to remove the offending structure of object and cut the offending tree, all of which shall be at the expense of Tenant.

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

16. This lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

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