



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

**Thursday
February 23, 2023**

**Administration Building
Airport Boardroom
6:00 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: Moreno, Adams, Baskett, Clayton, Brown

- 1. MINUTES OF THE REGULAR MEETING HELD FEBRUARY 9, 2023**
- 2. COMMITTEE REPORT(S):**
 - a) **AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)**
 - b) **ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)**
 - c) **MARKETING & PROMOTIONS (Standing or Ad Hoc)**
 - d) **CITY & COUNTY LIAISON**
 - e) **STATE & FEDERAL LIAISON**
 - f) **VANDENBERG LIAISON**
 - g) **BUSINESS PARK COMMITTEE (Ad Hoc)**
- 3. GENERAL MANAGER'S REPORT**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) **Demand Register**
 - b) **Budget to Actual**
 - c) **Financial Statements**
- 5. DISTRICT COUNSEL'S REPORT. (Joshua George and Natalie Frye Laacke)**

6. **PUBLIC SESSION:** Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
7. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE EMPLOYMENT CONTRACT FOR THE GENERAL MANAGER.**
8. **DISCUSSION AND DIRECTION TO STAFF REGARDING THE SANTA MARIA PUBLIC AIRPORT DISTRICT IMPOSING A SURCHARGE FEE TO CUSTOMERS FOR USE OF CREDIT CARDS.**
9. **AUTHORIZATION FOR TWO STAFF MEMBERS TO ATTEND THE CENTRAL VALLEY FACILITIES EXPO TO BE HELD MARCH 15TH THROUGH MARCH 16TH, 2023, TO BE HELD IN MODESTO, CA.**
10. **AUTHORIZATION FOR TWO STAFF MEMBERS TO ATTEND THE SOUTHERN CALIFORNIA FACILITIES EXPO ON APRIL 5TH THROUGH APRIL 6TH, 2023, TO BE HELD IN ANAHEIM, CA.**
11. **AUTHORIZATION FOR ONE STAFF MEMBER OR DESIGNEE TO ATTEND THE SUN N FUN AEROSPACE EXPO TO BE HELD MARCH 28TH THROUGH APRIL 2ND, 2023, IN LAKELAND, FL.**
12. **AUTHORIZATION FOR ONE DIRECTOR TO ATTEND THE EAA AIRVENTURE OSHKOSH TO BE HELD JULY 24TH THROUGH THE 30TH, 2023, IN OSHKOSH, WI.**
13. **PRESENTATION BY TOM WIDROE REGARDING U.S. CUSTOMS.**
14. **DISCUSSION AND DIRECTION TO STAFF REGARDING OUTSIDE COMMUNICATIONS.**
15. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE LEASE AGREEMENT BETWEEN THE DISTRICT AND THE UNITED STATES OF AMERICA FOR THE OFFICE SPACED LEASED FOR THE TRANSPORTATION SECURITY ADMINISTRATION LOCATED AT 3249 TERMINAL DRIVE, SANTA MARIA, CA 93455.**
16. **CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
 - a) **Conference with Real Property Negotiators (Kerry Fenton, Tom Ross, and District Counsel) Re: APN 111-231-09, APN 111-231-11, APN 111-231-17, APN 111-292-027 (Gov. Code Section 54956.8)**
 - b) **Significant exposure to litigation pursuant to Gov. Code Section 54956.9(b): Two Cases.**
 - c) **Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-SMPAD v. Baskett, Santa Barbara Superior Court Case No. 20CV04444.**
 - d) **Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-Baskett v. SMPAD, Santa Barbara Superior Court Case No. 21CV04183.**
 - e) **Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-Baskett v. SMPAD, United States District Court Central District of California Case No. 2:22-cv-07169-SVW-AS.**
17. **DIRECTORS' COMMENTS.**
18. **ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD FEBRUARY 9, 2023

The Board of Directors of the Santa Maria Public Airport District held a Regular Meeting at the regular meeting place at 6:00 p.m. Present were Directors Moreno, Clayton, Brown, Adams, and Baskett. Interim General Manager Fenton, Manager of Finance & Administration Reade, and District Council Frye Laacke.

1. MINUTES OF THE REGULAR MEETING HELD January 26, 2023. Director Adams made a Motion to approve the minutes of the regular meeting held January 26, 2023. Director Baskett Seconded and it was carried by a 5-0 vote.
2. MINUTES OF THE SPECIAL MEETING HELD January 30, 2023. Director Baskett made a Motion to approve the minutes of the special meeting held January 30, 2023. Director Adams Seconded and it was carried by a 5-0 vote.
3. COMMITTEE REPORT(S):
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – The committee discussed Pepper Garcia's restaurant lease.
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.
 - d) CITY & COUNTY LIAISON – No meeting scheduled.
 - e) STATE & FEDERAL LIAISON – No meeting scheduled.
 - f) VANDENBERG LIAISON – No meeting scheduled.
 - g) BUSINESS PARK COMMITTEE (Ad Hoc) – The committee held a meeting on February 9, 2023.
4. GENERAL MANAGER'S REPORT. Interim General Manager Fenton attended a county wide hospitality round table and an EDC meeting. Glenn Morris, the President of the Santa Maria Chamber of Commerce, facilitated a call between Representative Salud Carbajal and SkyWest Airlines. She also attended the Mead and Hunt conference in Phoenix with Board President Moreno, Glenn Morris, and Jim Bray. She attended a meeting with the FAA along with Carla Osborn, Operations Officer, and Ric Tokoph, Maintenance and Operations Manager, to discuss vehicle deviations that have occurred on the airfield. Interim General Manager Fenton informed the board that the Airport is currently undergoing its annual FAA inspection.

5. The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.
 - a) Demand Register. The Demand Register, covering warrants 071202 through 071239 in the amount of \$336,674.62 was recommended for approval as presented. Director Baskett made a Motion to accept the Demand Register as presented. Director Moreno Seconded and it was carried by a 5-0 vote.

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

7. 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.

Robert Davis, a current hangar tenant, expressed his unhappiness with the non-airworthy fee to the Board, he feels like it will discourage his son from becoming a tenant. He also expressed his opinion that the board meetings should begin at 7:00 pm as he feels 6:00 pm is too early.

Jen Malone, executive director of the Santa Maria Valley Discovery Museum, informed the Board that they have an upcoming kite festival and that they are hoping to receive the Boards financial support.

8. Resolution 922. A Resolution of the Board of Directors of the Santa Maria Public Airport District adopting a policy regarding the removal of abandoned aircrafts. Director Baskett made a motion to approve. Director Brown seconded, it went to a roll call vote and Directors Moreno, Clayton, Baskett, Adams and Brown all voted "Yes".
9. Authorization for one staff member and one community member to attend the 2023 Jumpstart Air Service Development Conference to be held June 12th through June 14th, 2023, in Milwaukee, WI. Director Adams made a motion to approve. Director Brown seconded, and it was carried by a 5-0 vote.
10. Discussion and direction to staff regarding resolution 902. Non-Airworthy Aircraft Storage in District Hangars. Tom Gibbons, a member of the public, expressed his concern regarding resolution 902. Discussion was held and the Board directed staff to work with the committee to update language in the resolution. The updated language will specifically address hangar tenants in the process of building aircraft.
11. Discussion and direction to staff regarding website upgrades for board meeting video links. Staff recommended coordination with the District's web developer to integrate videos of the Board of Directors meetings onto the website. The website would then include a link to a SMX YouTube channel managed by District staff. The Board directed staff to begin the process to implement a YouTube channel.

12. Discussion and Direction to staff regarding drone detection. A discussion was held by the Board of Directors outlining previous requests for information regarding drone detection. Interim General Manager Kerry Fenton briefed the Board on some information she received from Inyokern Airport. The Airport informed Ms. Fenton that the drone detection program was unsuccessful and costly. Director Brown suggested this item be tabled and possibly be reviewed at a later date. President Moreno, Director Brown and Director Adams concurred that this item should not be the focus at this time.
- 13.. Discussion and Direction to staff regarding the Source Capture Exhaust Systems (SCES) request from the Santa Maria Fire Department. Discussion was held regarding the installation of a Source Capture Exhaust System. The Board determined the no-smoke system currently installed on the ARFF vehicle is sufficient at this time. The Board directed staff to notify the City of this decision.
14. CLOSED SESSION. At 7:08 p.m. the Board went into Closed Session to discuss the following item(s):
 - a) Conference with Real Property Negotiators (Kerry Fenton, Tom Ross, and District Counsel) Re: APN 111-231-09, APN 111-231-11, APN 111-231-17, APN 111-292-027 (Gov. Code Section 54956.8)
 - b) Significant exposure to litigation pursuant to Gov. Code Section 54956.9(b): Four Cases.
 - c) Conference with Real Property Negotiators (Kerry Fenton and District Counsel) Re: 3249 Terminal Drive, Suite 110, Santa Maria, CA 93455.
 - d) Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-SMPAD v. Baskett, Santa Barbara Superior Court Case No. 20CV04444.
 - e) Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-Baskett v. SMPAD, Santa Barbara Superior Court Case No. 21CV04183.
 - f) Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-Baskett v. SMPAD, United States District Court Central District of California Case No. 2:22-cv-07169-SVW-AS.
 - g) Pursuant to Government Code Section 54957 Public Employee Appointment Title: General Manager

At 8:20 pm., the Board and staff reconvened to Open Public Session.

The Board reported that they are denying Alan Rudino's and Central Coast Jet Centers claims.

The Board also announced their decision to offer Martin Pehl the position of General Manager.

Alejandro Arredondo, a representative of ArtCraft Paint, asked to speak to the board regarding agenda item 10. He expressed his opinion that the Airport has all the business necessary to keep aircraft airworthy and stated that he would like to see hangar tenants utilize the services available to them on the field.

15. DIRECTORS' COMMENTS: Directors Moreno, Brown, and Adams had no comment.

Director Baskett expressed his desire for the airport to build more owner build hangers and also reiterated the importance of energy independence.

Director Clayton shared that he will be meeting with Director Adams to discuss ARFF services.

16. ADJOURNMENT. President Moreno asked for a Motion to adjourn to a Regular Meeting to be held on February 23, 2023, at 6:00 p.m. at the regular meeting place. Director Brown made that Motion, Director Adams Seconded and it was carried by a 5-0 vote.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 8:30 p.m. on February 9, 2023.

Ignacio Moreno, President

David Baskett, Secretary

2022-2023

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 071240 to 071295 and electronic payments on Pacific Premier Bank and in the total amount of \$446,340.93.

KERRY FENTON
INTERIM GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 071240 to 071295 and electronic payments on Pacific Premier Bank in the total amount of \$446,340.93 has been approved as being in conformity with the budget approved by the Santa Maria Public Airport District and funds are available for their payment.

VERONEKA READE
MANAGER OF FINANCE AND ADMINISTRATION

DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF FEBRUARY 23, 2023.

DAVID BASKETT
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 71240	2/9/2023	Adamski Moroski	\$14,722.50	Legal Counsel Services
* 71241	2/9/2023	Archive Social	\$3,137.40	Social Media Archiving Subscription - Annual
* 71242	2/9/2023	Blueglobes, Inc.	\$440.68	Lighting - Landing Area
* 71243	2/9/2023	Brayton's Power Wash & Sweep	\$500.00	Street Sweeping
* 71244	2/9/2023	Carquest Auto Parts	\$243.45	Vehicle Maintenance
* 71245	2/9/2023	Clark Pest Control	\$983.00	Weed/Wildlife Abatement
* 71246	2/9/2023	Comcast	\$1,304.13	Cable/Internet/Digital Voice
* 71247	2/9/2023	CSMFO	\$125.00	2023 CSMFO Membership Renewal
* 71248	2/9/2023	C.J. Brown & Company, CPAs	\$625.00	Preparation of State Controller's Report
* 71249	2/9/2023	Frontier Communications	\$824.14	Telephone Service
* 71250	2/9/2023	Groveman Hiete LLP	\$32,950.50	Legal Counsel Service
* 71251	2/9/2023	Hayward Lumber Company	\$248.16	Fencing and Gates - Maintenance
* 71252	2/9/2023	J.D. Humann Landscape Contr.	\$4,955.00	Landscaping - Terminal
* 71253	2/9/2023	MarTeeny Designs	\$275.00	Website Maintenance
* 71254	2/9/2023	McMaster-Carr	\$51.07	Office Supplies
* 71255	2/9/2023	Mission Linen Service	\$113.51	Uniform Service
* 71256	2/9/2023	RRM Design Group	\$24,920.00	Bus. Park Plan Amendment/Parcel Rezoning
* 71257	2/9/2023	San Luis Powerhouse	\$6,430.38	Generator Maintenance
* 71258	2/9/2023	County Clerk- Recorder-Accessor Dept.	\$24,191.46	Election Materials and Services
* 71259	2/9/2023	Sign Creations	\$1,592.10	Fencing and Gates - Signs
* 71260	2/9/2023	S Lombardi & Assoc., Inc.	\$3,675.00	Airport Advertising
* 71261	2/9/2023	SWRCB	\$2,912.68	Site Cleanup Program - 10/1/22 - 12/31/22
* 71262	2/9/2023	VTC Enterprises	\$70.00	Trash - Paper Recycling
* 71263	2/9/2023	Tom Widroe	\$18,000.00	Consulting Services
* 71264	2/9/2023	Winema Industrial & Safety	\$246.26	Shop Supplies
* 71265	2/9/2023	Zee Medical Service Company	\$143.40	First Aid
* 71266	2/9/2023	David K. Wolff Environmental, LLC	\$2,392.05	Environmental Consulting
* 71267	2/9/2023	HR Your Way, Inc.	\$1,122.00	HR Outsource
* 71268	2/9/2023	Digital West	\$950.65	Network Services - Terminal
* 71269	2/9/2023	AEDs for Hearts	\$1,495.31	Terminal Supplies
* 71270	2/9/2023	AWS Electric	\$280.00	Building Maintenance -FBO
* 71271	2/9/2023	James Bray	\$30.00	Travel - Reimbursement
* 71272	2/15/2023	ADB SAFEGATE Americas LLC	\$9,242.49	Signs - Landing Area
* 71273	2/15/2023	AT&T	\$42.42	Telephone Service
* 71274	2/15/2023	City of Guadalupe	\$87,066.95	Security Service/LEO - 11/1/22 - 1/31/23
* 71275	2/15/2023	City of Santa Maria	\$426.52	Construction Meter Fees
* 71276	2/15/2023	Comcast Business	\$2,205.77	Internet Service

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 71277	2/15/2023	Electronic Parts Store	\$89.35	Vehicle Maintenance
* 71278	2/15/2023	Fence Factory	\$424.13	Fencing and Gates Maintenance
* 71279	2/15/2023	Frontier Communications	\$241.94	Telephone Service
* 71280	2/15/2023	J B Dewar, Inc	\$2,205.08	Dyed Diesel Tankwagon
* 71281	2/15/2023	Los Padres Fire Protection	\$697.55	Vehicle Maintenance
* 71282	2/15/2023	LSC Communications	\$39.08	FAA Publications
* 71283	2/15/2023	Mead & Hunt, Inc.	\$6,600.00	Airport Consulting Service
* 71284	2/15/2023	Pacific Telemanagement Services	\$230.92	Pay Phone Services - Terminal
* 71285	2/15/2023	Quinn Company	\$53.84	Vehicle Maintenance
* 71286	2/15/2023	SB County EHS/CUPA	\$1,323.00	Hazardous Waste Permit
* 71287	2/15/2023	Service Star	\$12,398.34	Janitorial Service
* 71288	2/15/2023	Sherwin-Williams	\$100.19	Building Maintenance - Admin
* 71289	2/15/2023	Sign Creations	\$70.69	Signs - Fencing and Gates
* 71290	2/15/2023	S Lombardi & Assoc., Inc.	\$3,675.00	Airport Advertising
* 71291	2/15/2023	SM Valley Chamber of Commerce	\$45.00	Membership Dues
* 71292	2/15/2023	Smith's Alarms & Electronics Inc.	\$630.00	Fire Alarm Service
* 71293	2/15/2023	SMV Discovery Museum	\$10,000.00	2023 Kite Festival - Airport Advertising
* 71294	2/15/2023	Valley Fencing	\$1,266.94	Fencing and Gates
* 71295	2/15/2023	AWS Electric	\$560.00	Terminal Maintenance
		Subtotal	<u>\$289,585.03</u>	
ACH	2/7/2023	Planes of Fame	\$75,000.00	Airfest Sponsorship
ACH	2/8/2023	PG&E	\$19,266.29	Terminal/Admin/Hangar Electricity
ACH	2/8/2023	Wageworks FSA	\$75.00	Cafeteria Plan
ACH	2/8/2023	Amazon Capital Services	\$147.87	Office Supplies&Equipment
ACH	2/9/2023	Umpqua Bank	\$858.99	Credit Card Fees
ACH	2/13/2023	Xerox	\$608.00	Copier
ACH	2/13/2023	CalPers	\$13,373.99	Employee Health Insurance
ACH	2/14/2023	PG&E	\$1,172.28	Terminal/Admin/Hangar Electricity
ACH	2/14/2023	The Gas Company	\$4,553.47	Utilities - Gas
ACH	2/14/2023	Pacific Premier Bank	\$0.14	Bank Fees - Analysis Activity
ACH	2/14/2023	CalPers	\$5,334.65	Employee Retirement
ACH	2/15/2023	Empower Retirement	\$4,503.82	Employee Paid Retirement

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
ACH	2/15/2023	Empower Retirement	\$300.00	Plan Amendment Fee
ACH	2/16/2023	Paychex	\$25,009.81	Payroll
ACH	2/16/2023	Neopost	\$200.00	Postage
ACH	2/17/2023	Paychex	\$183.03	Paychex Invoice
ACH	2/17/2023	Paychex	\$6,168.56	Payroll Taxes
		Subtotal	<u>\$156,755.90</u>	
		Total	<u><u>\$446,340.93</u></u>	

Santa Maria Public Airport District

Budget vs. Actual - YTD

As of January 31, 2023

	<u>YTD</u>	<u>YTD BUD</u>	<u>VARIANCE</u>	<u>% VARIANCE</u>
61000-Landing fees	15,009.43	52,500.00	(37,490.57)	(71.4 %)
61100-Tiedowns	14,764.00	15,808.35	(1,044.35)	(6.6 %)
61200-Fuel Flowage Fees	54,722.16	48,183.35	6,538.81	13.6 %
62000-T-Hangar	251,347.00	254,800.00	(3,453.00)	(1.4 %)
62100-Corporate Hangar	169,166.00	164,500.00	4,666.00	2.8 %
62200-Owner Build Hangar	11,543.00	11,550.00	(7.00)	(.1 %)
63000-T-Hangar Storage	18,958.00	19,016.65	(58.65)	(.3 %)
64100-Main Hangar	76,272.00	76,241.65	30.35	.0 %
64200-Commercial Aviation	235,360.97	215,425.00	19,935.97	9.3 %
64300-Land Lease - Commercial Aviation	57,477.00	99,575.00	(42,098.00)	(42.3 %)
65000-Car Rental	114,334.85	104,591.65	9,743.20	9.3 %
65100-Terminal Space Lease	96,418.79	93,450.00	2,968.79	3.2 %
66100-Agricultural Lease	621,494.61	626,325.00	(4,830.39)	(.8 %)
66200-Non Aviation Land Leases	234,459.19	195,300.00	39,159.19	20.1 %
66300-Cell Tower Lease	35,350.00	35,816.65	(466.65)	(1.3 %)
66400-Mobile Home Parks	271,372.39	298,174.35	(26,801.96)	(9.0 %)
67000-Administrative Income	7,339.00	26,133.35	(18,794.35)	(71.9 %)
67200-Cares Grant	216,129.58	128,333.35	87,796.23	68.4 %
67205-BIL Grant	0.00	396,666.65	(396,666.65)	(100.0 %)
67210-Leo Reimbursement	2,160.00	7,525.00	(5,365.00)	(71.3 %)
68100-Airfest Ticket Sales	236,055.17	163,333.35	72,721.82	44.5 %
68150-Airfest Vendor Revenue	13,760.33	4,666.65	9,093.68	194.9 %
68200-Airfest Sponsorship	155,900.00	105,000.00	50,900.00	48.5 %
69100-Interest and Investment Earnings	29,687.12	14,233.35	15,453.77	108.6 %
69106-Land Sale	1,165,326.71	0.00	1,165,326.71	.0 %
69110-AIP Reimbursement	743,907.00	5,258,516.65	(4,514,609.65)	(85.9 %)
69120-PFC Revenue	29,830.05	42,583.35	(12,753.30)	(29.9 %)
69200-Tax Revenues	1,159,962.88	1,138,958.35	21,004.53	1.8 %
Total Income	6,038,107.23	9,597,207.70	(3,559,100.47)	(37.1 %)
80000-G&A	7,567.95	8,102.50	(534.55)	(6.6 %)
80001-MHP - Maintenance	19,397.57	7,501.65	11,895.92	158.6 %
80002-MHP - MHP Liability Insurance	3,048.95	4,526.65	(1,477.70)	(32.6 %)
80003-MHP - Property Management	18,347.47	16,450.00	1,897.47	11.5 %
80004-MHP - Salaries/ Employee Related Expenses	57,342.66	63,303.90	(5,961.24)	(9.4 %)
80005-MHP - Utilities	99,902.18	101,045.00	(1,142.82)	(1.1 %)
80100-Salaries- Administration	232,333.00	274,341.65	(42,008.65)	(15.3 %)
80101-Salaries - Maintenance & Operations	263,554.98	275,041.65	(11,486.67)	(4.2 %)
80102-Employee Benefits - Other	31,108.55	38,208.35	(7,099.80)	(18.6 %)
80104-Employee Benefits - Medical	143,676.24	147,875.00	(4,198.76)	(2.8 %)
80105-Medicare Tax	8,713.75	8,225.00	488.75	5.9 %
80106-PERS Retirement	139,856.32	168,175.00	(28,318.68)	(16.8 %)
81000-ARFF Services	445,222.00	525,000.00	(79,778.00)	(15.2 %)
81100-Electricity	117,385.00	109,083.35	8,301.65	7.6 %
81200-Natural Gas	8,725.75	6,591.65	2,134.10	32.4 %
81300-Water	42,838.15	42,525.00	313.15	.7 %
81600-Communications	6,646.99	42,991.70	(36,344.71)	(84.5 %)
81601-Communications - Alarm	8,488.98	7,758.35	730.63	9.4 %
81602-Communications - Wireless	8,235.27	11,200.00	(2,964.73)	(26.5 %)
81603-Communications - Access Control	720.48	583.35	137.13	23.5 %
82400-Supplies Office	38,209.49	37,916.65	292.84	.8 %
82410-Supplies Shop	26,880.44	24,500.00	2,380.44	9.7 %
82500-Fuel Expense	25,733.18	25,666.65	66.53	.3 %
83000-Maintenance - Misc	8,029.54	9,858.35	(1,828.81)	(18.6 %)
83001-Maintenance - Lighting	16,308.75	13,125.00	3,183.75	24.3 %
83002-Maintenance - Generator	9,865.01	3,062.50	6,802.51	222.1 %
83003-Maintenance - Pavement	16,877.71	26,016.65	(9,138.94)	(35.1 %)
83004-Maintenance - Weed/Wildlife	20,356.82	29,907.50	(9,550.68)	(31.9 %)
83005-Maintenance - Fencing & Gates	2,973.83	9,916.65	(6,942.82)	(70.0 %)

83006-Maintenance - Building	35,285.24	52,500.05	(17,214.81)	(32.8 %)
83007-Maintenance - Fire Alarm	3,460.69	13,125.00	(9,664.31)	(73.6 %)
83008-Maintenance - Drainage	1,432.32	4,375.00	(2,942.68)	(67.3 %)
83100-Signs	9,641.87	13,416.65	(3,774.78)	(28.1 %)
84000-Equipment Lease	5,442.06	5,775.00	(332.94)	(5.8 %)
84500-Janitorial	78,720.00	73,441.70	5,278.30	7.2 %
84700-Landscaping	35,288.09	43,283.35	(7,995.26)	(18.5 %)
85000-Vehicle Maintenance	39,339.57	23,333.35	16,006.22	68.6 %
85400-Dues and Membership	71,323.00	41,650.00	29,673.00	71.2 %
86000-Advertising	39,376.79	157,500.00	(118,123.21)	(75.0 %)
86001-Consulting - Admin	349,925.76	216,066.65	133,859.11	62.0 %
86002-Consulting Professional	145,734.20	168,224.60	(22,490.40)	(13.4 %)
86003-Consulting - Legal	153,274.40	65,625.00	87,649.40	133.6 %
86004-Consulting - Security	203,300.53	250,133.35	(46,832.82)	(18.7 %)
86005-Bank Fees	11,315.78	14,583.35	(3,267.57)	(22.4 %)
86015-Depreciation - Hangar Area	22,051.00	53,770.50	(31,719.50)	(59.0 %)
86025-Depreciation - Landing Area	361,418.00	889,583.35	(528,165.35)	(59.4 %)
86035-Depreciation - FBO	9,647.00	21,583.35	(11,936.35)	(55.3 %)
86045-Depreciation - Revenue Gen Land	93,935.00	137,666.69	(43,731.69)	(31.8 %)
86055- Depreciation - Terminal Area	98,322.00	223,416.69	(125,094.69)	(56.0 %)
86100-Depreciation - Administration	51,810.00	119,583.35	(67,773.35)	(56.7 %)
86200-Insurance	188,677.96	204,458.35	(15,780.39)	(7.7 %)
86500-Permits	7,781.14	6,591.65	1,189.49	18.0 %
86600-Education and Recognition	10,948.90	12,483.35	(1,534.45)	(12.3 %)
86700-Business Travel	39,319.11	48,825.00	(9,505.89)	(19.5 %)
86800-Fire Fighting Training	0.00	27,708.35	(27,708.35)	(100.0 %)
86900-Election Expense	0.00	29,166.65	(29,166.65)	(100.0 %)
87010-Real Estate Commission	108,234.27	0.00	108,234.27	.0 %
87025-Rent Credit	6,076.00	0.00	6,076.00	.0 %
88001-Airfest Expense - Performers	118,504.43	77,116.65	41,387.78	53.7 %
88002-Airfest Expense - Gala/VIP Tent	162,260.16	50,983.35	111,276.81	218.3 %
88003-Airfest Expense Insurance	7,921.00	3,791.65	4,129.35	108.9 %
88004-Airfest Marketing	93,859.60	39,264.15	54,595.45	139.0 %
88005-Airfest Expense - Lodging	69,890.27	37,041.65	32,848.62	88.7 %
88007-Airfest Expense - Rental Cars	10,146.23	3,850.00	6,296.23	163.5 %
88008-Airfest Expense - Safety & Security	122,983.19	50,866.65	72,116.54	141.8 %
88009-Airfest Expenses- Miscellaneous	17,476.88	6,708.35	10,768.53	160.5 %
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	4,612,469.45	5,225,992.48	(613,523.03)	(11.7 %)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Income	1,425,637.78	4,371,215.22	(2,945,577.44)	(25.3 %)

Santa Maria Public Airport District
Balance Sheet
As of January 31, 2023

User: Veroneka
Reada

Current Assets:

Cash and cash equivalents	8,676,828
Restricted - cash and cash equivalents	1,559,251
Certificate-of-deposit	8,000
Accounts receivable - customers and tenants, net	145,141
Prepaid expenses and deposits	353,876
	<hr/>
Total current assets	10,743,097

Non-current assets:

Note receivable	166,218
Interest Receivable	0
Capital assets, not being depreciated	6,441,185
Depreciable capital assets	19,682,483
Deferred other post-employment benefits outflows	77,902
Deferred pension outflows	445,936
	<hr/>
Total non-current assets	26,813,724

Total assets	37,556,821
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Current Liabilities:

Accounts payable and accrued expenses	417,944
Accrued wages and related payables	7,787
Unearned Revenue (customer prepaid)	168,359
Hangar and other deposits	113,660
Long-term liabilities - due in one year:	
Compensated absences	29,965
Land improvements payable	17,344
	<hr/>
Total current liabilities	755,059

Long-term liabilities - due in more than one year

Compensated absences	89,895
Land improvements payable	98,281
Total other post-employment benefits liability	373,325
Net pension liability	2,056,379
Deferred pension inflows	92,912
	<hr/>
Total long term liabilities	2,710,792

Total Liabilities	3,465,851
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Net position:

Retained Earnings	34,086,476
Change in Net Position	1,425,638
	<hr/>
Total net position	35,512,114

Total liabilities and net position	38,977,965
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Santa Maria Public Airport District
Profit & Loss
As of January 31, 2023

	YTD	PTD	PTD AVG	% AVG/PTD
Revenues from Operations				
Landing Area				
Landing fees and tiedowns	29,773	3,093	4,253	137.5 %
Fuel flowage fees	54,722	2,916	7,817	268.1 %
Subtotal	84,496	6,009	12,071	200.9 %
Hangar area				
T-Hangar	251,347	37,462	35,907	95.8 %
Corporate T-Hangars	169,166	25,124	24,167	96.2 %
T-Hangar Storage Units	18,958	2,710	2,708	99.9 %
Owner Build Hangars	11,543	1,649	1,649	100.0 %
Subtotal	451,014	66,945	64,431	96.2 %
Main hangar and F.B.O. area				
Main Hangar	76,272	10,896	10,896	100.0 %
Commercial Hangars	235,361	33,802	33,623	99.5 %
Land Leases	57,477	8,211	8,211	100.0 %
Subtotal	369,110	52,909	52,730	99.7 %
Terminal Area				
Car Rental and Ground	114,335	5,525	16,334	295.6 %
Terminal Space Lease	96,419	13,754	13,774	100.1 %
TSA LEO Reimbursement	2,160	0	309	
Subtotal	212,914	19,279	30,416	157.8 %
Revenue generating land				
Land Lease Recreational	234,459	33,046	33,494	101.4 %
Agricultural Leases	621,495	92,532	88,785	96.0 %
Airport Business Park - on	35,350	5,050	5,050	100.0 %
Airport Hotel	7,339	590	1,048	177.7 %
Airport Mobile Home Park - on	271,372	31,000	38,767	125.1 %
Subtotal	1,170,015	162,217	167,145	103.0 %
Airfest				
Airfest Ticket Sales	236,055	0	33,722	
Airfest Vendors	13,760	10	1,966	19657.6 %
Airfest Sponsorship	155,900	0	22,271	
Subtotal	405,716	10	57,959	579593.6 %
Administrative				
Cares Grant Revenue	216,130	0	30,876	
Subtotal	216,130	0	30,876	
Total Revenue from operations	2,909,393	307,369	415,628	135.2 %

Santa Maria Public Airport District
Profit & Loss
As of January 31, 2023

	YTD	PTD	PTD AVG	% AVG/PTD
Operating Expenses:				
Landing Area	83,421	17,512	11,917	68.1 %
Hangar Area	42,476	7,341	6,068	82.7 %
Main hangar and Commercial	44,486	6,613	6,355	96.1 %
Terminal area	253,548	35,226	36,221	102.8 %
Revenue generating land	267,173	7,366	38,168	518.1 %
Salaries and Benefits	779,877	99,606	111,411	111.9 %
Utilities	45,103	4,868	6,443	132.3 %
Supplies	87,051	5,924	12,436	209.9 %
Maintenance and Repairs	61,737	5,117	8,820	172.4 %
Contractual Services	588,249	77,269	84,036	108.8 %
Real Estate Commission	108,234	0	15,462	
ARFF Services	445,222	223,232	63,603	28.5 %
Security Services	203,301	9,057	29,043	320.7 %
Dues and Subscriptions	71,323	125	10,189	8151.2 %
Advertising	39,377	3,675	5,625	153.1 %
Depreciation	637,183	0	91,026	
Insurance	188,678	0	26,954	
Business Travel and Entertainment	39,319	732	5,617	767.5 %
Rent Credit	6,076	868	868	100.0 %
Air Show Expense	603,042	0	86,149	
Other Miscellaneous Expense	17,595	1,696	2,514	148.2 %
Total Expenses	4,612,469	506,227	658,924	130.2 %
Operating income (loss)	(1,703,076)	(198,858)	(243,297)	122.3 %
Non-Operating Revenues (Expenses):				
PFC Revenue	29,830	0	4,261	
Interest Income	29,687	0	4,241	
Tax Revenues	1,159,963	16,232	165,709	1020.9 %
AIP Reimbursement	743,907	743,907	106,272	14.3 %
Gain on Land Sale	1,165,327	0	166,475	
Total non-operating rev (exp)	3,128,714	760,139	446,959	58.8 %
Net Income	1,425,638	561,281	203,663	36.3 %

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), is entered into as of February 15, 2023 (the "Commencement Date"), by the Santa Maria Public Airport District (the "District") and Martin Pehl (the "General Manager").

1. Term of Employment. District hereby employs General Manager to serve at the pleasure of District's Board of Directors to perform the duties and functions of full-time general manager of the Santa Maria Public Airport District, upon the terms and conditions set forth below. The term of employment of General Manager by the District shall commence on the Commencement Date and shall continue thereafter on the same terms and conditions for a period of ten years unless earlier terminated pursuant to Section 7 (such term being hereinafter referred to as the "Employment Period"). The "Employment Year" shall be a one-year period starting April 3, 2023 through April 2, 2024 and continuing annually thereafter. The Board of Directors of the District (the "Board"), in its sole discretion, will determine whether to extend the term of employment. In the event the Board decides to not extend the term for at least one year, the Board will notify General Manager at least one year prior to the expiration of the Employment Period, as it may be extended, or pay General Manager twelve months of severance pay, except for termination for Cause under Section 7.4.

2. Acceptance of Employment/Duties. General Manager accepts said employment and agrees to carry out the duties of general manager faithfully and in accordance with the laws of the State of California, the Official Administrative Code of the District, the policies and directions of District's Board, and the regulations, grant assurances and orders of the Federal Aviation Administration, and other applicable laws, as may now exist and as they may be amended from time to time. The General Manager shall report to the Board of Directors of the District (the "Board"), with duties and responsibilities reflected on the job description attached as Exhibit A to this Agreement. In addition, General Manager shall be responsible for the selection, hiring, training, assignment, evaluation, discipline, direction, organization, reorganization, and arrangement of administrative, maintenance, operations, supervisory and management staff; provided, the decision to fill any vacant position, or create any new position, is subject to prior approval of the Board. General Manager shall perform such other duties which may from time to time be assigned to him by the Board. General Manager shall devote all time necessary to perform the duties described herein.

In addition, at the beginning of each employment year, the District and General Manager shall mutually agree upon management goals for the following employment year. General Manager shall perform these duties and responsibilities, and any additional duties and responsibilities as the Board shall assign. General Manager shall serve the District faithfully and to the best of his ability in such capacities, devoting his full business time, attention, knowledge,

energy and skills to such employment. General Manager shall travel as reasonably required in connection with the performance of his duties hereunder.

3. Compensation. The District shall pay, and General Manager shall accept, as full consideration for his services hereunder compensation consisting of the following:

3.1 Base Salary. \$180,000 per year base salary. At the end of fifth employment year, the General Manager shall conduct a salary survey at which time upon Board review and verification the base salary shall be adjusted upwards but not downwards to the average salary of the equivalent positions at the following airports, Ventura County, City of Santa Barbara, San Luis Obispo County, and the Minter Shafter Airport District. For the purposes of the above-mentioned survey, the base salary for the General Manager shall include longevity pay as described in section 4.xii.

3.2 Cost of Living adjustment. The General Manager shall be listed on the annual Resolution approving salaries and salary increases only as it pertains to cost of living adjustments based upon the consumer price index (CPI). Any such adjustment will be effective July 1st of that year.

4. Benefits. Subject to all applicable eligibility requirements, legal limitations, and subject to applicable taxes, General Manager will be provided with the following benefits:

- i. Four weeks of paid vacation shall be earned annually, accrued on a pro-rated basis per pay period and forty (40) hours of administrative management leave will also be available annually starting on July 1, of each year;
- ii. Upon using a minimum of eighty (80) hours of vacation or admin leave during the past twelve (12) months, the General Manager may request to receive pay in lieu of up to two hundred (200) hours per calendar year of vacation accrual. A request for redemption shall not be made more than twice per calendar year and the total amount redeemed in a calendar year shall not in total exceed the aforementioned maximum respectively;
- iii. Twelve days of sick leave shall be earned annually, accrued on a pro-rated basis per pay period;
- iv. Holidays shall be provided in accordance with the District's existing holiday policy;
- v. 100% of the CalPERS contribution shall be made by the District;
- vi. 75% of the employee cost of Long Term and Short-Term Disability policies shall be paid by the District, with such policies subject to the District's approval;
- vii. The District shall pay the premium for a \$100,000 term life insurance policy, subject to the General Managers' underwriting approval by the carrier;

- viii. The District shall provide a monthly contribution equal to that paid for District's management staff to the District's Employee and Dependent medical and dental plans (currently \$1713.00 per month);
- ix. The District shall reimburse the General Manager for use of his personal vehicle outside of the Santa Barbara County limits for District business at a rate equivalent to the standard mileage rate established by proclamation of the Internal Revenue Service.
- x. The District shall provide an automobile allowance of six hundred and sixty-seven dollars (\$667) per month. Mileage reimbursement for travel within Santa Barbara County will not be reimbursed. Mileage reimbursement shall be approved for out of area travel pursuant to Section ix. above.
- xi. The District shall provide a cell phone for the General Managers' use.
- xii. The General Manager with ten (10) years of continuous service to the District shall receive a five percent (5%) longevity salary increase over the current regular salary. The General Manager with twenty (20) years of continuous service to the District shall receive an additional five percent (5%) longevity salary increase over the salary received after ten (10) continuous years of service.
- xiii. A one-time lump sum allowance for moving expenses in the amount of \$10,000, minus applicable payroll taxes is to be made for the first paycheck. In the event the General Manager voluntarily leaves the employment of the Santa Maria Public Airport District during the first two (2) years of employment, the General Manager agrees to reimburse the District, on a pro rata basis, for relocation expenses paid by the District.

5. Reimbursement of Expenses. The District will reimburse General Manager for all reasonable travel, entertainment and other expenses incurred or paid by the General Manager in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement, subject to review by the Board or its administrative and financial committee, if applicable.

6. Civic Club Membership. District recognizes the desirability of representation in and before local, civic and other organizations, and the General Manager is authorized to become a member of one nationally recognized service club, for which the District shall pay necessary expenses for dues and meals.

7. Obligations Upon Termination of Employment Period.

7.1 Disability. In the event of the permanent disability (as hereinafter defined) of General Manager during the Employment Period, the District shall have the right, upon written notice to General Manager, to terminate General Manager's employment hereunder, effective upon the 30th calendar day following the giving of such notice (or such later day as shall be specified in such notice). Upon the effectiveness of such termination, (i) the District shall have no further obligations hereunder, except to pay and provide, subject to applicable withholding, (A) all

amounts of Base Salary, sick leave, and vacation leave, accrued, but unpaid, at the effective date of termination; (B) all reasonable unreimbursed business-related expenses. General Manager shall have no further obligations hereunder other than those provided for in Sections 9 and 10 hereof. For purposes of this Agreement, "permanent disability" shall be defined as any physical or mental disability or incapacity which renders General Manager incapable in any material respect of performing the essential function and services required of him in accordance with his obligations under Section 2 for a period of 90 consecutive calendar days, or for 90 days in any 360 day period, or as otherwise determined by District's long term disability insurance carrier or worker's compensation insurance carrier, or PERS retirement system.

7.2 Death. In the event of the death of General Manager during the Employment Period, this Agreement shall automatically terminate and the District shall have no further obligations hereunder, except to pay and provide to General Manager's beneficiary or other legal representative, subject to applicable withholding, (i) all amounts of Base Salary, sick leave, and vacation leave, accrued but unpaid at date of death, and (ii) all reasonable unreimbursed business-related expenses.

7.3 Termination. The District reserves the right to terminate General Manager at any time, in its sole discretion. In the event of the termination of General Manager's employment by the District, (i) all amounts of Base Salary, sick leave, and vacation leave, accrued but unpaid on the date of termination shall be paid by the District. In the event of termination of General Manager by the Board for any reason other than For Cause as defined in Section 7.4, or other than after timely notice not extending the term as described in Section 1, the Board shall offer the General Manager the opportunity to execute a Separation and Release Agreement with the District, the consideration for which shall equal twelve months Base Salary.

7.4 Circumstances Under Which Separation Consideration Would Not Be Offered. The District shall not be obligated to offer the General Manager the Separation and Release Agreement and corresponding consideration provided in Section 7.3, if the Employment Period is terminated for Cause, or other than after timely notice not extending the term as described in Section 1, or if General Manager voluntarily terminates his employment. For purposes of this Agreement, "Cause" shall be limited to:

(A) Failure by General Manager to substantially perform his duties hereunder, other than a failure resulting from his complete or partial incapacity due to physical or mental illness or impairment;

(B) General Manager's violation of a federal or state law or regulation applicable to the business of the District or that adversely affects the image of the District;

(C) General Manager's commission of an act which constitutes gross misconduct and is injurious to the District;

(D) General Manager's breach of a provision of this Agreement;

(E) General Manager's conviction of a misdemeanor that adversely affects the image of District, or any felony; or

8. Voluntary Termination by General Manager. In the event General Manager voluntarily elects to terminate employment prior to the expiration of the Employment Period, or any extension thereof, General Manager shall provide District's Board with a minimum of 30 days' written notice.

9. Cooperation with the District After Termination of the Employment Period. Following termination of the Employment Period or any extension, General Manager shall fully cooperate with the District in all matters relating to the winding up of his pending work on behalf of the District and the orderly transfer of any such pending work to other employees of the District as may be designated by the District.

10. Confidentiality; Return of Property; Non-Solicitation.

(a) The General Manager acknowledges that during the Employment Period he will receive confidential information from the District, its attorneys, consultants, employees, tenants and others, (each a "Relevant Entity"). Accordingly, the General Manager agrees that during the Employment Period (as it may be extended from time to time) and thereafter, the General Manager and his affiliates shall not, except in the performance of his obligations to the District hereunder or as may otherwise be approved in advance by the District, directly or indirectly, disclose or use (except for the direct benefit of the District) any confidential information that he may learn or has learned by reason of his association with any Relevant Entity. Upon termination of this Agreement, the General Manager shall promptly return to the District any and all properties, records or papers of any Relevant Entity that may have been in his possession at the time of termination, whether prepared by the General Manager or others, including, but not limited to, confidential information and keys. For purposes of this Agreement, "confidential information" includes all data, analyses, reports, interpretations, forecasts, documents and information concerning a Relevant Entity and its affairs, including, without limitation, litigation claims, policies, procedures, personnel files and information, confidential reports, technical information, financial information, prospects or opportunities, (i) that the District reasonably believes are confidential or affect public security, or (ii) the disclosure of which could be injurious to a Relevant Entity or beneficial to competitors of a Relevant Entity, but shall exclude any information that the General Manager is required to disclose under any applicable laws, regulations or directives of any government agency, tribunal or authority having jurisdiction in the matter or under

subpoena or other process of law, is or becomes publicly available prior to the General Manager's disclosure or use of the information in a manner violative of the second sentence of this Section 10(a), or is rightfully received by General Manager without restriction or disclosure from a third party legally entitled to possess and to disclose such information without restriction (other than information that he may learn or has learned by reason of his association with any Relevant Entity).

(b) For a period of one year following the termination of General Manager's employment with the District for any reason, he will not, without the District' express written consent, either on his own behalf or on behalf of another, solicit employees of the District or any subsidiary of the District for the purpose of hiring them. General employment advertising shall not be deemed to be a solicitation.

11. Evaluation. The Board shall evaluate General Manager's performance at such times as it determines, in the exercise of its sole discretion, but at least once per employment year. Any evaluation shall be in writing and be signed by not less than a majority of the Board.

12. General.

12.1 Waiver. Neither party shall, by mere lapse of time, without giving notice or taking other action hereunder, be deemed to have waived any breach by the other party of any of the provisions of this Agreement. Further, the waiver by either party of a particular breach of this Agreement by the other shall neither be construed as nor constitute a continuing waiver of such breach or of other breaches by the same or any other provision of this Agreement.

12.2 Severability. If for any reason a court of competent jurisdiction or arbitrator finds any provision of this Agreement to be unenforceable, the provision shall be deemed amended as necessary to conform to applicable laws or regulations, or if it cannot be so amended without materially altering the intention of the parties, the remainder of the Agreement shall continue in full force and effect as if the offending provision were not contained herein.

12.3 Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be considered effective upon personal service or upon transmission of a facsimile or the deposit with Federal Express or in Express Mail and addressed to the Board of Directors of the District at its administrative office, and to General Manager at his most recent address shown on the District's records, or at any other address which either may specify in any appropriate notice to the other.

12.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together constitutes one and the same instrument and in making proof hereof it

shall not be necessary to produce or account for more than one such counterpart.

12.5 Entire Agreement. The parties hereto acknowledge that each has read this Agreement, understands it, and agrees to be bound by its terms. The parties further agree that this Agreement shall constitute the complete and exclusive statement of the agreement between the parties and supersedes all proposals (oral or written), understandings, representations, conditions, covenants, and all other communications between the parties relating to the subject matter hereof. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

12.6 Governing Law. This Agreement shall be governed by the law of the State of California.

12.7 Assignment. This Agreement is for personal services and may not be assigned by General Manager.

13. Amendment. This Agreement may be amended at any time by mutual written agreement signed by the parties. Any adjustment in salary or benefits shall be in the form of a written agreement.

14. Mutual Termination. This Agreement may be terminated at any time by mutual written agreement signed by the parties.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above written.

Santa Maria Public Airport District

By: _____
Ignacio Moreno
President

By: _____
David Baskett
Secretary

GENERAL MANAGER

By: _____
Martin Pehl

Position: Airport General Manager
Agency: Santa Maria Public Airport District
Location: Santa Maria, California

CHARACTERISTICS:

The General Manager has broad responsibility for the overall organization, staffing, budgeting and operations of the airport. The General Manager reports directly to the five-member board of directors, and oversees the work of division managers, professional and administrative staff, and interfaces with Federal Aviation Administration, Transport Security Administration, the Airport Commission, vendors, and transportation and environmental management bodies.

Duties and Responsibilities:

1. Plans, organizes and directs the operation, maintenance and property management activities of the District through subordinate managers and supervisors; reviews recommendations and actions of subordinates; and solves department problems.
2. Reviews and approves long range plans for the District including master plan, airport improvement plans.
3. Manages District properties; reviews and makes recommendations regarding proposed development and property utilization; negotiates lease agreements; resolves problems with leaseholders.
4. Directs the preparation of applications for Federal and State grants; and administers and evaluates grant programs.
5. Directs, evaluates and presents monthly and annual District reports, studies, evaluation reviews and statistical summaries.
6. Researches and monitors developments related to District operations, evaluates their impact and recommends improvements.
7. Takes a direct role in community relations activities to maintain effective public relations, such as speaking to community groups and organizations.
8. Manages the District environmental programs, including wetlands mitigation, monitoring and restoration, stormwater pollution prevention, hazardous materials program, and associated reporting requirements.

QUALIFICATIONS:

Knowledge of:

- Municipal Airport operations, including security administration, commercial operations, parking maintenance, noise abatement, and related practices, and methods, materials and equipment utilization.
- Federal and State laws and regulations and City codes and ordinances governing the operations of a Public Airport.
- Occupational Safety and Health Administration (OSHA) regulations, American with Disabilities Act (ADA) requirements related to public accessibility and accommodations.
- Contract administration and lease administration practices and requirements; lease negotiations practices; commercial development and concession operation practices.
- Land use principals and practices; property management practices and regulations.

- Marketing and community relations practices, media relations, customer service principles.
- Strategic planning principles; theories of management and organization; leadership principles.
- Project management, benchmarking, and program evaluation principles.
- Principles of staffing, selection, training, supervision, evaluation and discipline.
- Negotiating techniques

Skills:

- Operate personal computer hardware to utilize public records information systems, word processing, spreadsheet, and presentation software, operate a calculator. Good understand of internet.
- Operate a motor vehicle.

Ability to:

- Plan, organize, and direct a wide variety of Airport programs and services to meet community needs and to effectively comply with safety, operating and environmental regulations.
- Approve and adopt major long-term capital improvement programs and construction plans.
- Articulate Airport regulations polices, and procedures and address issues with clarity and diplomacy involving the City Council, County Board of Supervisors, Airport Commission, and concerned citizens and community groups
- Exercise independent judgment and initiative within established guidelines.
- Prepare clear, concise and complete correspondence, reports and other written materials.
- Establish and maintain effective working relationships with City, and County Officials, Commissioners, staff, regulators, commercial representatives, and other in the course of work.
- Prepare and deliver effective public presentations.
- Work independently.

Education / Training / Experience:

Candidate should have a Bachelor's degree in Business Administration, Public Administration, or related field; and six years or more years of progressively responsible professional, lease administration, contract administration, and airport operations and management experience, including three years or more of managerial and supervisory experience. Coursework or certifications through AAAE in airport management and budgeting programs is desirable. Training through Special Districts Associations would be desirable.

License, Certificates; Special Requirements:

Candidate must have a valid Class C California driver's license and the ability to maintain insurability under District's Vehicle Insurance Policy. Must have the ability to work extended hours or be on-call to respond to Airport emergencies or special events.



February 23, 2023

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

Subject: Discussion and direction to staff regarding the Santa Maria Public Airport District imposing a surcharge fee to customers for use of credit cards.

Background:

In Fiscal Year ending June 30, 2018 the District made a decision to accept credit card payments in order to reduce the delinquent tenant list and provide tenants with a convenient means of paying their monthly rent. While this decision met both of these goals the cost of credit card fees were absorbed by the District and have been steadily increasing year over year.

Fiscal Year	Bank/Credit Card Fees
6/30/2018	\$11,318.56
6/30/2019	\$13,119.13
6/30/2020	\$14,804.36
6/30/2021	\$17,805.52
6/30/2022	\$24,682.71
12/31/2022	\$22,631.56

Due to this alarming trend staff has researched alternative means of covering these costs. Staff reached out to the California Special District's Association and were able to meet and confer with Allpaid a credit card processing system which allows the District to recoup service fees. The credit card fee is 2.25% per transaction regardless of type of credit card utilization. Allpaid transactions will automatically charge the customer a convenience fee of 2.25% per transaction thus eliminating the District's cost to provide this service.

Recommendation:

It is recommended that the Board direct staff to move forward with this process and provide a resolution to that effect at the next appropriate meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Veroneka Reade".

Veroneka Reade
Manager of Finance and Administration



February 23, 2023

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

Subject: Authorization for two staff members to attend the Central Valley Facilities Expo to be held March 15th through March 16th, 2023, to be held in Modesto, CA.

Summary

This conference provides staff, at no registration cost, an opportunity to garner knowledge about how other public agencies maintain, build, and operate their infrastructure.

Budget

		Attendees	Days	Rate	Total
Fees:	Registration	2		\$0.00	\$0.00
	Air Transportation	2		\$0.00	\$0.00
	Ground Transportation	2		\$330.00	\$660.00
	Lodging	2	2	\$182.00	\$728.00
	Meals	2	3	\$100.00	\$600.00
	Total:				\$1,988.00

Overall Impact:

2022-2023 Budget for Business Travel	\$83,660.00
Previously Approved Business Travel	\$63,206.70
Current Balance for Business Travel	\$20,453.30
Amount of this Request	\$1,988.00
Balance Remaining if Approved	\$18,465.30

Recommendation

Staff recommends the board authorize this travel.

Sincerely,

Veroneka Reade
 Manager of Finance and Administration



February 23, 2023

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

Subject: Authorization for two staff members to attend the Southern California Facilities Expo on April 5th through April 6th, 2023, to be held in Anaheim, CA.

Summary

This conference provides staff, at no registration cost, an opportunity to garner knowledge about how other public agencies maintain, build, and operate their infrastructure.

Budget

		Attendees	Days	Rate	Total
Fees:	Registration	2		\$0.00	\$0.00
	Air Transportation	2		\$0.00	\$0.00
	Ground Transportation	2		\$238.00	\$476.00
	Lodging	2	2	\$188.00	\$752.00
	Meals	2	3	\$100.00	\$600.00
	Total:				\$1,828.00

Overall Impact:

2022-2023 Budget for Business Travel	\$83,660.00
Previously Approved Business Travel	\$65,194.70
Current Balance for Business Travel	\$18,465.30
Amount of this Request	\$1,828.00
Balance Remaining if Approved	\$16,637.30

Recommendation

Staff recommends the board authorize this travel.

Sincerely,

Veroneka Reade
 Manager of Finance and Administration



February 23, 2023

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

Subject: Authorization for one staff member or designee to attend the Sun n Fun Aerospace Expo to be held March 28th through April 2nd, 2023, in Lakeland, FL.

Summary

As the first major air show and expo of the year, the partnership allows for the more than 200,000 aviation enthusiasts from around the world to enjoy what has become known as Aviation’s Season Opener and Spring Break for Pilots.

Budget

		Attendees	Days	Rate	Total
Fees:	Registration	1		\$1,260.00	\$1,260.00
	Air Transportation	1		\$1,109.00	\$1,109.00
	Ground Transportation	1		\$459.00	\$459.00
	Lodging	1	6	\$249.29	\$1,495.73
	Meals	1	6	\$100.00	\$600.00
	Total:				\$4,923.73

Overall Impact:

2022-2023 Budget for Business Travel	\$83,660.00
Previously Approved Business Travel	\$67,022.70
Current Balance for Business Travel	\$16,637.30
Amount of this Request	\$4,923.73
Balance Remaining if Approved	\$11,713.57

Recommendation

Staff recommends the board authorize this travel.

Sincerely,

Veroneka Reade
 Manager of Finance and Administration



February 23, 2023

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

Subject: Authorization for one Director to attend the EAA AirVenture Oshkosh to be held July 24th through the July 30th, 2023, in Oshkosh, WI.

Summary

Oshkosh Air Show 2023, also known as EAA AirVenture Oshkosh, is a fly-in gathering and aviation event that attracts enthusiasts from dozens of countries. It is a place where people can discover opportunities in innovation, education, and careers in aviation.

Budget

		Attendees	Days	Rate	Total
Fees:	Registration	1		\$813.00	\$813.00
	Air Transportation	1		\$726.00	\$726.00
	Ground Transportation	1		\$1,140.00	\$1,140.00
	Lodging	1	6	\$495.50	\$2,973.00
	Meals	1	7	\$100.00	\$700.00
	Total:				\$6,352.00

The 2023-2024 Budget has not been approved and therefore the impact on that budget cannot be estimated at this time.

Recommendation

Staff recommends the board authorize this travel.

Sincerely,

Veroneka Reade
Manager of Finance and Administration



Project Schedule

Santa Maria Airport – US Customs Building Remodel, Santa Maria, CA 93455

Activity ID	Activity Name	Duration	Start	Finish	Comment
1.0	Design Kick-off/Charrette Meeting		Jan 10, 2023	Jan 10, 2023	
1.1	Prepare 30% Design Documents	30 days	Jan 20, 2023	Feb 21, 2023	
1.2	SMX / US Customs Review 30%	7 days	Feb 22, 2023	Mar 1, 2023	
1.3	Prepare 90% Design Documents	30 days	Mar 2, 2023	Apr 3, 2023	
1.4	SMX / US Customs Review 90%	7 days	Apr 4, 2023	Apr 11, 2023	
1.5	Prepare Final Design Documents	7days	Apr 12, 2023	Apr 19, 2023	
1.6	SMX / US Customs Review	7days	Apr 20, 2023	Apr 27, 2023	
2.0	Plans Ready for Bid		Apr 28, 2023	Apr 28, 2023	
2.1	Solicit contractor bids	30 days	May 1, 2023	Jun 1, 2023	Potential to reduce to 21 days
2.2	Contract for Construction	14 days	Jun 2, 2023	Jun 16, 2023	
3.0	Construction Notice to Proceed		Jun 19, 2023	Jun 19, 2023	
3.1	Construction activities	90 days	Jun 20, 2023	Sep 21, 2023	Could extend based on the availability of long-lead items
3.2	Construction close out	7 days	Sep 22, 2023	Sep 29, 2023	
4.0	Acceptance by US Customs		Oct 2, 2023	Oct 2, 2023	
4.1	US Customs Site Preparations	30 days	Oct 3, 2023	Nov 2, 2023	
4.2	Occupancy		Nov 3, 2023	Nov 3, 2023	

LEASE NO. GS-09P-LCA01777

On-Airport Lease
GSA TEMPLATE L201D (OCT 2022)

A. This Lease is made and entered into between

Lessor's Name SANTA MARIA PUBLIC AIRPORT DISTRICT

(Lessor), whose principal place of business is 3217 Terminal Drive, Santa Maria, CA 93455, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

B. Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**SANTA MARIA PUBLIC AIRPORT
TERMINAL BUILDING
3249 TERMINAL DRIVE
SANTA MARIA, CALIFORNIA 93455**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

C. LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon **June 20, 2023**, and continuing for a period of

10 Years, 5 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

Name: _____
Title: _____
Entity: _____
Date: _____

FOR THE GOVERNMENT:

Name: _____
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: _____

WITNESSED FOR THE LESSOR BY:

Name: _____
Title: _____
Date: _____

The information collection requirements contained in this Solicitation/Contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (OCT 2022)

The Premises are described as follows:

- A. **Office and Related Space:** **1,457** rentable square feet (RSF), yielding **1,457** ANSI/BOMA Occupant Area (ABOA) square feet (SF) of office and related Space located on the **1st & 2nd** floor(s), as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. **Common Area Factor:** The Common Area Factor (CAF) is established as **0** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. **Parking:** The Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. **Antennas, Satellite Dishes and Related Transmission Devices:** (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease

1.03 RENT AND OTHER CONSIDERATION (ON-AIRPORT) (OCT 2022)

- A. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rates:

	Years 1 - 5		Years 6 - 10	
	Annual Rent	Annual Rate / RSF	Annual Rent	Annual Rate / RSF
SHELL RENT ¹	\$93,699.67	\$64.31	\$93,699.67	\$64.31
OPERATING COSTS ²	\$0.00	\$0.00	\$0.00	\$0.00
TENANT IMPROVEMENTS RENT ³	20,100.34	\$13.80		
Full Service Rate	\$113,800.01	\$78.11	\$93,699.67	\$64.31

¹Shell rent calculation:

(Firm Term) **\$64.31** per RSF multiplied by the RSF stated under Paragraph 1.01

(Non Firm Term) **\$64.31** per RSF multiplied by the RSF stated under Paragraph 1.01

²Operating Costs rent calculation: **\$0** per RSF multiplied by the RSF stated under Paragraph 1.01

³Tenant Improvements of \$68.978520/RSF/ABOA are amortized at a rate of **0** percent per annum over **5** years.

B. INTENTIONALLY DELETED

C. INTENTIONALLY DELETED

D. Rent is subject to adjustment based upon a mutual measurement of the Space upon acceptance, not to exceed **1,457** ABOA SF. based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

E. INTENTIONALLY DELETED.

F. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

G. Rent shall be paid to Lessor by electronic funds transfer (EFT) in accordance with the provisions of the General Clauses. Rent shall be payable using the EFT information contained in the System for Award Management (SAM). In the event the EFT information changes, the Lessor shall be responsible for providing the updated information to SAM. Failure by the Lessor to maintain an active registration in SAM may result in delay of rental payments until such time as the SAM registration is activated. This registration service is free of charge.

H. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described herein in the paragraph entitled "The Premises,"

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, subcontractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses
3. Performance or satisfaction of all other obligations set forth in this Lease; and, all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

I. For succeeding Leases with an incumbent Lessor where the Government is currently in occupancy and possession of the leased Premises and where the Lease requires the Lessor to perform alterations using either the TIA or BSAC, the amortized tenant improvement rent and/or BSAC rent will not commence until the alterations are complete and accepted by the Government. Upon acceptance of these improvements, the Government will commence payment of the tenant improvement and/or BSAC rent as stipulated under the Lease, in addition to payment of the tenant improvement and/or BSAC rent for the period starting from the Lease Term Commencement Date to the date of tenant improvements/BSAC acceptance by the Government (such rent payment will not include any additional interest). Alternatively, the Government may elect to re-amortize the tenant improvements/BSAC over the remaining Firm Term of the Lease, at the amortization rate stipulated in the Lease. In the event the Government does not use all the TIA or BSAC, then the rental payments will be adjusted in accordance with the provisions of the Lease (e.g., de-amortization).

1.04 TERMINATION RIGHTS (ON-AIRPORT) (SEP 2013)

A. The Government may terminate this Lease, in whole or in part, at any time during the term of this lease with **90 days'** prior written notice to the Lessor if (i) regularly scheduled commercial air services cease, (ii) the airport opts to replace TSA screeners with private contractors, (iii) the checkpoint supported by the leased Space is closed, or (iv) the Government reduces its presence at the airport due to a reduction in enplanements. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

B. The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than **90 days'** prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.05 INTENTIONALLY DELETED

1.06 DOCUMENTS INCORPORATED IN THE LEASE (ON-AIRPORT) (OCT 2020)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	2	A
GSA Form 3517A, General Clauses	9	B

1.07 INTENTIONALLY DELETED

1.08 LESSOR'S UNIQUE ENTITY IDENTIFIER (OCT 2022)

Lessor's Unique Entity Identifier

UEI: **PK2EEJ9RKZC8**

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$ 68.978520 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of **0** percent.

B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

D. If it is anticipated that the Government will spend more than the identified TIA, the Government may elect to:

1. Reduce the TI requirements;

2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (OCT 2022)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. Appurtenant Areas. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. Broker. If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.
- C. Building. Building(s) situated on the Property in which the Premises are located .
- D. Commission Credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the "Commission Credit."
- E. Common Area Factor. The "Common Area Factor" (CAF) is a conversion factor determined by the Building owner and applied by the owner to the ABOA SF to determine the RSF for the leased Space. The CAF is expressed as a percentage of the difference between the amount of rentable SF and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% [(11,500 RSF-10,000 ABOA SF)/10,000 ABOA SF]. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.
- F. Contract. Contract shall mean this Lease.
- G. Contractor. Contractor shall mean Lessor.
- H. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.
- I. FAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1.
- J. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.
- K. GSAR. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.
- L. Lease Term Commencement Date. The date on which the Lease term commences.
- M. Lease Award Date. The date the LCO executes the Lease and mails or otherwise furnishes written notification of the executed Lease to the successful Offeror (date on which the parties' obligations under the Lease begin).
- N. Premises. The Premises are defined as the total Occupant Area or other type of Space, together with all associated common areas, described in Section 1 of this Lease, and delineated by plan in the attached exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.
- O. Property. The Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas) to which the Government is granted rights.
- P. Rentable Space or Rentable Square Feet (RSF). Rentable Space is the area for which a tenant is charged rent. It is determined by the Building owner and may vary by city or by building within the same city. The Rentable Space may include a share of Building support/common areas such as elevator lobbies, Building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The Rentable Space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. Rentable Square Feet is calculated using the following formula for each type of Space (e.g., office, warehouse, etc.) included in the Premises: $ABOA\ SF\ of\ Space \times (1 + CAF) = RSF$.
- Q. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as Occupant Area, or other type of Space. Parking areas to which the Government has rights under this Lease are not included in the Space.
- R. Occupant Area. For the purposes of this Lease, Space shall be measured in accordance with the standard (Z65.1-2017) provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for Occupant Area, which means "the total aggregated area used by an Occupant before Load Factors are applied, consisting of Tenant Area and Tenant Ancillary Area." The Method A – Multiple Load Factor Method shall apply. References to ABOA mean ANSI/BOMA Occupant Area.
- S. Working Days. Working Days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

2.02 AUTHORIZED REPRESENTATIVES (OCT 2016)

Signatories to this Lease shall have full authority to bind their respective principals with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principals, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) by notice, without an express delegation by the prior LCO.

2.03 WAIVER OF RESTORATION (OCT 2021)

Lessor shall have no right to require the Government to restore the Premises upon expiration or earlier termination (full or partial) of the Lease, and waives all claims against the Government for:

- A. Waste, or,
- B. Damages or restoration arising from or related to:
 - 1. the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as
 - 2. any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government.

At its sole option, the Government may abandon property in the Space following expiration or earlier termination (full or partial) of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

2.04 INTENTIONALLY DELETED

2.05 RELOCATION RIGHTS (OCT 2021)

If it becomes necessary in the orderly development of the Airport, Lessor may require the relocation of Premises to other space at the Airport which, in the reasonable judgment of Lessor, is similar and suitable for the purposes for which this Lease is entered as such purposes are set forth herein. Should such relocation be necessary, the Lessor shall provide the GSA a minimum of 120 days prior written notice. Lessor shall be responsible for all costs for such relocation, including all costs for moving furniture, office equipment, telephone and data lines, and any other costs associated with replicating necessary operational features provided in the space originally leased. The Airport shall provide such relocated Premises at the same rental rate as the original Premises, unless the new Premises are located in an area for which the Airport charges tenants a lower rate, in which event the parties shall negotiate a reduction in the rental rate. The Government will not reimburse the Lessor for any increased square footage as a result of such relocation.

2.06 RECITALS FOR TRANSPORTATION SECURITY ADMINISTRATION (ON-AIRPORT) (JUN 2012)

- A. The Transportation Security Administration (TSA) is required, pursuant to 49 U.S.C. 40101—The Aviation and Transportation Security Act (ATSA), to oversee security measures at the Santa Maria Airport.
- B. TSA is responsible for airline passenger and baggage screening services at the Airport.
- C. The U.S. General Services Administration (GSA), on behalf of TSA, leases certain facilities on the Airport premises for administrative offices and/or break rooms in support of airport passenger and baggage screening services by the TSA.
- D. Space for TSA to screen passengers and baggage is expressly excluded from this Lease.

2.07 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (ON-AIRPORT) (MAY 2015)

- A. The Lessor shall provide floor plans for the Space and a valid Certificate of Occupancy (C of O), issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue C of O's or if the C of O is not available, the Lessor may satisfy this condition by providing a report prepared by a licensed fire protection engineer that verifies that the Space complies with all applicable local fire protection and life safety codes and ordinances and all fire protection and life safety-related requirements of this Lease.
- B. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

2.08 ALTERATIONS PRIOR TO ACCEPTANCE (JUN 2012)

The Government's rights stated under the General Clause "Alterations" also apply to initial build-out of the Premises.

2.09 SYSTEM FOR AWARD MANAGEMENT (MAR 2020)

The Offeror must have an active registration in the System for Award Management (SAM), via the Internet at, [HTTPS://WWW.SAM.GOV/SAM/](https://www.sam.gov/SAM/) prior to the Lease Award Date. Registration must be for purposes of "All Awards" and include completion of all required representations and certifications within SAM. Registration must be active throughout the life of the Lease. To remain active, the Offeror/Lessor is required to update or renew its registration annually. The Government will not process rent payments to Lessors without an active registration in SAM. No change of ownership of the leased Premises will be recognized by the Government until the new owner registers in SAM.

2.10 SECURITY UPGRADES DUE TO IMMEDIATE THREAT (APR 2011)

The Government reserves the right, at its own expense and with its own personnel, to heighten security in the Building under Lease during heightened security conditions due to emergencies such as terrorist attacks, natural disaster, and civil unrest.

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

3.01 BUILDING SHELL REQUIREMENTS (ON-AIRPORT) (SEP 2013)

- A. The Building Shell shall be designed, constructed, and maintained in accordance with the standards set forth herein and completed prior to acceptance of Space. For pricing, fulfillment of all requirements not specifically designated as operating costs or other rent components as indicated shall be deemed included in the Shell Rent.
- B. Base structure and Building enclosure components shall be complete. All common areas accessible by the Government, such as lobbies, fire egress corridors and stairwells, elevators, garages, and service areas, shall be complete. Restrooms shall be complete and operational. All newly installed Building shell components, including but not limited to, heating, ventilation, and air conditioning (HVAC), electrical, ceilings, sprinklers, etc., shall be furnished, installed, and coordinated with TIs. Circulation corridors are provided as part of the base Building only on multi-tenanted floors where the corridor is common to more than one tenant. On single tenant floors, only the fire egress corridor(s) necessary to meet code is provided as part of the shell.

3.02 MEANS OF EGRESS (MAY 2015)

- A. Prior to occupancy, the Premises and any parking garage areas shall meet or will be upgraded to meet, either the applicable egress requirements in the National Fire Protection Association, Life Safety Code (NFPA 101), or the International Code Council, International Building Code (IBC), each current as of the Lease Award Date, or use an alternative approach or method that achieves an equivalent level of safety deemed acceptable by the Government.
- B. The Space shall have unrestricted access to a minimum of two remote exits on each floor of Government occupancy.
- C. Interlocking or scissor stairs located on the floor(s) where Space is located shall only count as one exit stair.
- D. A fire escape located on the floor(s) where Space is located shall not be counted as an approved exit stair.
- E. Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

3.03 AUTOMATIC FIRE SPRINKLER SYSTEM (OCT 2022)

- A. Any portion of the Space located below-grade, including parking garage areas, and all areas in a Building referred to as "hazardous areas" (defined in National Fire Protection Association (NFPA) 101) that are located within the entire Building (including non-Government areas) shall be protected by an automatic fire sprinkler system or an equivalent level of safety.
- B. For Buildings in which any portion of the Space is on or above the sixth floor, then, at a minimum, the Building up to and including the highest floor of Government occupancy shall be protected by an automatic fire sprinkler system or an equivalent level of safety.
- C. For Buildings in which any portion of the Space is on or above the sixth floor, and lease of the Space will result, either individually or in combination with other Government Leases in the Building, in the Government leasing 35,000 or more ANSI/BOMA Occupant Area SF of Space in the Building, then the entire Building shall be protected throughout by an automatic fire sprinkler system or an equivalent level of safety.
- D. Automatic fire sprinkler system(s) shall be installed in accordance with the requirements of NFPA 13, Standard for the Installation of Sprinkler Systems that was in effect on the actual date of installation.
- E. Automatic fire sprinkler system(s) shall be maintained in accordance with the requirements of NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-based Fire Protection Systems (current as of the Lease Award Date).
- F. "Equivalent level of safety" means an alternative design or system (which may include automatic fire sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic fire sprinkler systems.

3.04 FIRE ALARM SYSTEM (SEP 2013)

- A. A Building-wide fire alarm system shall be installed in the entire Building in which any portion of the Space is located on the 3rd floor or higher.
- B. The fire alarm system shall be installed in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code that was in effect on the actual date of installation.
- C. The fire alarm system shall be maintained in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date).
- D. The fire alarm system shall transmit all fire alarm signals to the local fire department via any of the following means: directly to the local fire department, to the (911) public communications center, to a central station, to a remote supervising station, or to a proprietary supervising station.

E. If the Building's fire alarm control unit is over 25 years old as of the Lease Award Date, Lessor shall install a new fire alarm system in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date), prior to Government acceptance and occupancy of the Space.

3.05 ENERGY INDEPENDENCE AND SECURITY ACT (MAR 2016)

A. Energy-related Requirements:

1. The Energy Independence and Security Act (EISA) establishes the following requirements for Government Leases in Buildings that have not earned the ENERGY STAR® Label conferred by the Environmental Protection Agency (EPA) within one year prior to the due date for final proposal revisions ("most recent year").

2. If this Lease was awarded under any of EISA's Section 435 statutory exceptions, the Lessor shall either:

a. Earn the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease); or

b. I. Complete energy efficiency and conservation improvements if any, agreed to by Lessor in lieu of earning the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease); and

II. Obtain and publicly disclose the Building's current ENERGY STAR® score (using EPA's Portfolio Manager tool), unless the Lessor cannot access whole building utility consumption data, or there is no building category within Portfolio Manager to benchmark against, including spaces—

(i) That are located in States with privacy laws that provide that utilities shall not provide such aggregated information to multitenant building owners; and

(ii) For which tenants do not provide energy consumption information to the commercial building owner in response to a request from the building owner. (A Federal agency that is a tenant of the space shall provide to the building owner, or authorize the owner to obtain from the utility, the energy consumption information of the space for the benchmarking and disclosure required by this subparagraph D).

(iii) That cannot be benchmarked (scored) using EPA's Portfolio Manager tool because of excessive vacancy; in which case Lessor agrees to obtain the score and publicly disclose it within 120 days of the eligibility to obtain a score using the EPA Portfolio Manager tool.

Note: "public disclosure" means posting the Energy Star® score on state or local websites in those areas that have applicable disclosure mandates, and reporting the score to the Government via Portfolio Manager. In the absence of an applicable state or local disclosure mandate, Lessor shall either generate and display the Energy Star® score in a public space at the building location or post the score on Lessor's or Lessor's Parent/Affiliate website.

3. If this Lease was awarded to a Building to be built or to a Building predominantly vacant as of the due date for final proposal revisions and was unable to earn the ENERGY STAR® label for the most recent year (as defined above) due to insufficient occupancy, but was able to demonstrate sufficient evidence of capability to earn the ENERGY STAR® label, then Lessor must earn the ENERGY STAR® label within 18 months after occupancy by the Government.

4. The Lessor is encouraged to purchase at least 50 percent of the Government tenant's electricity from renewable sources.

B. Hydrology-related Requirements: Per EISA Section 438, the sponsor of any development or redevelopment project involving a Federal facility with a footprint that exceeds 5,000 square feet shall use site planning, design, construction, and maintenance strategies for the property to maintain or restore, to the maximum extent technically feasible, the predevelopment hydrology of the Property with regard to the temperature, rate, volume, and duration of flow. If the Lessor proposes to satisfy the Government's space requirements through a development or redevelopment project, and the Government will be the sole or predominant tenant such that any other use of the Property will be functionally or quantitatively incidental to the Government's use, the Lessor is required to implement hydrology maintenance and restoration requirements as required by EISA Section 438.

1. For the purposes of applying EISA Section 438 in this Lease, "sponsor" shall mean "Lessor", and "exceeds 5,000 square feet" shall mean construction that disturbs 5,000 square feet or more of land area at the Property or on adjoining property to accommodate the Government's requirements, or at the Property for whatever reason. Information regarding implementation of the hydrology maintenance and restoration requirements can be found at: <http://www.epa.gov/greeningepa/technical-guidance-implementing-stormwater-runoff-requirements-federal-projects>

2. Lessor is required to implement these hydrology maintenance and restoration requirements to the maximum extent technically feasible, prior to acceptance of the Space, (or not later than one year after the Lease Award Date or Lease Term Commencement Date, whichever is later, of a succeeding or superseding Lease). Additionally, this Lease requires EISA Section 438 storm water compliance not later than one year from the date of any applicable disturbance (as defined in EISA Section 438) of more than 5,000 square feet of ground area if such disturbance occurs during the term of the Lease if the Government is the sole or predominant tenant. In the event the Lessor is required to comply with EISA Section 438, Lessor shall furnish the Government, prior to the filing for permits for the associated work, with a certification from Lessor's engineer that the design meets the hydrology maintenance and restoration requirements of EISA Section 438.

3.06 ACCESSIBILITY (FEB 2007)

The Building, leased Space, and areas serving the leased Space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

3.07 MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)

The Lessor shall provide and operate all Building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office Space.

3.08 RESTROOMS (ON-AIRPORT) (JUN 2012)

Government employees shall have access to all public restroom facilities for men and women in the Airport terminal at all times without additional payment.

3.09 HEATING, VENTILATION, AND AIR CONDITIONING (ON-AIRPORT) (OCT 2022)

A. Temperatures shall conform to local commercial equivalent temperature levels and operating practices to maximize tenant satisfaction. Thermostats shall be set to maintain temperatures of 72 degrees F (+/- 3 degrees) during the heating season and 75 degrees F (+/- 3 degrees) during the cooling season. These temperatures shall be maintained throughout the leased Premises and service areas, regardless of outside temperatures, during the hours of operation specified in this Lease. The Lessor shall perform any necessary systems start-up required to meet the commercially equivalent temperature levels prior to the first hour of each day's operation. At all times, the dew point shall be maintained below 55 degrees F in occupied spaces, and below 60 degrees F in unoccupied spaces.

B. The Lessor shall conduct HVAC system balancing after all HVAC system alterations during the term of the Lease and shall make a reasonable attempt to schedule major construction outside of office hours.

C. Normal HVAC systems maintenance shall not disrupt tenant operations.

3.10 TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (ON-AIRPORT) (SEP 2013)

A. The Government may elect to contract its own telecommunications (voice, data, video, Internet, or other emerging technologies) service in the Space. The Government may contract with one or more parties to have inside wiring (or other transmission medium) and telecommunications equipment installed.

B. The Lessor shall allow the Government's designated telecommunications providers access to utilize existing Building wiring to connect its services to the Government's Space. If the existing Building wiring is insufficient to handle the transmission requirements of the Government's designated telecommunications providers, the Lessor shall provide access from the point of entry into the Building to the Government's floor Space, subject to any inherent limitations in the pathway involved.

C. The Lessor shall allow the Government's designated telecommunications providers to affix telecommunications antennas (high frequency, mobile, microwave, satellite, or other emerging technologies), subject to weight and wind load conditions, to roof, parapet, or Building envelope as required.

3.11 GOVERNMENT PROJECT MANAGEMENT SYSTEM (ON-AIRPORT) (OCT 2022)

The Government may require the Lessor to use the Government's project management system for post-award and post-occupancy activities. Licensing costs and access to the system are the responsibility of the Government.

SECTION 4 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

4.01 SERVICES, UTILITIES, AND MAINTENANCE (ON-AIRPORT) (OCT 2020)

The Lessor is responsible for providing all utilities necessary for base building and tenant operations and all associated costs are included as a part of the established rental rates. The Lessor shall follow routine cleaning and disinfecting requirements in Section 5.01. The following services, utilities, and maintenance shall be provided by the Lessor as part of the rental consideration (check all that apply):

- HEAT
- TRASH REMOVAL
- ELEVATOR SERVICE
- INITIAL REPLACEMENT
- OTHER
- ELECTRICITY
- CHILLED DRINKING WATER
- WINDOW WASHING
- LAMPS, TUBES & BALLASTS
- (Specify below)
- POWER (Special Equip.)
- AIR CONDITIONING
- Frequency: Twice per Year
- PAINTING
- FREQUENCY _____
- WATER (Hot & Cold)
- RESTROOM SUPPLIES
- CARPET CLEANING
- Space Yearly (or as needed)
- SNOW REMOVAL
- JANITORIAL SERV. & SUPP.
- Frequency Once a year
- Public Areas Every 3 years or as needed

The Lessor shall have an onsite building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

4.02 MAINTENANCE OF PROVIDED FINISHES (OCT 2016)

A. Paint, wall coverings. Lessor shall maintain all wall coverings and high performance paint coatings in "like new" condition for the life of the Lease. All painted surfaces shall be repainted at the Lessor's expense, including the moving and returning of furnishings, any time during the occupancy by the Government if the paint is peeling or permanently stained, except where damaged due to the negligence of the Government. All work shall be done after normal working hours as defined elsewhere in this Lease. In addition to the foregoing requirement,

1. Lessor shall repaint common areas at least every three years.
2. Lessor shall perform cyclical repainting of the Space every **1** year of occupancy. This cost, including the moving and returning of furnishings, as well as disassembly and reassembly of systems furniture per manufacturer's warranty, shall be at the Lessor's expense.

B. Carpet and flooring.

1. Except when damaged by the Government, the Lessor shall repair or replace flooring at any time during the Lease term when:
 - a. Backing or underlayment is exposed;
 - b. There are noticeable variations in surface color or texture;
 - c. It has curls, upturned edges, or other noticeable variations in texture;
 - d. Tiles are loose; or,
 - e. Tears or tripping hazards are present.
2. Notwithstanding the foregoing, as part of the rental consideration, the Lessor shall replace all carpet and base coving in the Space every **3** years, with a product which meets the requirements in the "Floor Coverings and Perimeters" paragraph in this Lease.
3. Repair or replacement shall include the moving and returning of furnishings, including disassembly and reassembly of systems furniture per manufacturer's warranty, if necessary. Work shall be performed after the normal hours established elsewhere in this Lease.

4.03 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS FOR AIRPORT OCCUPANCIES (SEP 2013)

The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, restrooms, lights, and electric power. Cleaning shall be performed after tenant working hours unless daytime cleaning is specified as a special requirement elsewhere in this Lease. Janitorial Services shall not be required on weekends or Federal holidays. Services, maintenance, and utilities shall be provided **6:00 am to 10:00 pm daily, 7 DAYS PER WEEK INCLUDING FEDERAL HOLIDAYS.**

4.04 MAINTENANCE AND TESTING OF SYSTEMS (SEP 2013)

A. The Lessor is responsible for the total maintenance and repair of the leased Premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Copies of all records in this regard shall be forwarded to the Government's designated representative.

B. At the Lessor's expense, the Government reserves the right to require documentation of proper operations, inspection, testing, and maintenance of fire protection systems, such as, but not limited to, fire alarm, fire sprinkler, standpipes, fire pump, emergency lighting, illuminated exit signs, emergency generator, prior to occupancy to ensure proper operation. These tests shall be witnessed by the Government's designated representative.

4.05 RECYCLING (ON-AIRPORT) (JUN 2012)

Where state or local law, code, or ordinance requires recycling programs (including mercury-containing lamps) for the Space to be provided pursuant to this Lease, the Lessor shall comply with such state and local law, code, or ordinance in accordance with GSA Form 3517, General Clauses, 552.270-8, *Compliance with Applicable Law*. During the lease term, the Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the Building and in the Leased Space.

4.06 RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)

During the term of the Lease, the Lessor may not establish vending facilities within the leased Space that will compete with any Randolph-Sheppard vending facilities.

4.07 INTENTIONALLY DELETED

4.08 INDOOR AIR QUALITY (OCT 2019)

A. The Lessor shall control airborne contaminants at the source and/or operate the Space in such a manner that indoor air quality action limits identified in the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8), OSHA regulatory limits, and generally accepted consensus standards are not exceeded. .

B. The Lessor shall avoid the use of products containing toxic, hazardous, carcinogenic, flammable, or corrosive ingredients as determined from the product label or manufacturer's safety data sheet. The Lessor shall use available odor-free or low odor products when applying paints, glues, lubricants, and similar wet products. When such equivalent products are not available, lessor shall use the alternate products outside normal working hours. Except in an emergency, the Lessor shall provide at least 72 hours advance notice to the Government before applying chemicals or products with noticeable odors in occupied Spaces and shall adequately ventilate those Spaces during and after application.

C. The Lessor shall serve as first responder to any occupant complaints about indoor air quality (IAQ). The Lessor shall promptly investigate such complaints and implement the necessary controls to address each complaint. Investigations shall include testing as needed, to ascertain the source and severity of the complaint.

D. The Government reserves the right to conduct independent IAQ assessments and detailed studies in Space that it occupies, as well as in space serving the Space (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by:

1. Making available information on Building operations and Lessor activities;
2. Providing access to Space for assessment and testing, if required; and
3. Implementing corrective measures required by the LCO. The Lessor shall take corrective action to correct any tests or measurements that do not meet GSA policy action limits in the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8), OSHA regulatory limits and generally accepted consensus standards.

E. The Lessor shall provide to the Government safety data sheets (SDS) upon request for the following products prior to their use during the term of the Lease: adhesives, caulking, sealants, insulating materials, fireproofing or firestopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finish for wood surfaces, janitorial cleaning products, pesticides, rodenticides, and herbicides. The Government reserves the right to review such products used by the Lessor within the Space, common building areas, ventilation systems and zones serving the Space, and the area above suspended ceilings and engineering space in the same ventilation zone as the Space.

F. The Lessor shall use high efficiency (HEPA) filtration vacuums for cleaning and minimum MERV 10 rated ventilation system filtration whenever feasible.

G. The Lessor is encouraged to comply with best practices outlined in Appendix D- Indoor Air Quality in GSA Leased Facilities (Best Practices) within the PBS Desk Guide for Indoor Air Quality Management (Companion to GSA Order PBS 1000.8).

4.09 HAZARDOUS MATERIALS (ON-AIRPORT) (OCT 2021)

The leased Space shall be free of hazardous materials, hazardous substances, and hazardous wastes, as defined by and according to applicable Federal, state, and local environmental regulations including, but not limited to, the following:

A. The leased Space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the Space or undamaged boiler or pipe insulation outside the Space, in which case an asbestos management program conforming to EPA guidance shall be implemented.

B. The Lessor shall provide Space to the Government that is free from ongoing water leaks or moisture infiltration. The Space and ventilation zones serving the Space shall also be free of visible mold or actionable airborne mold.

1. Actionable mold is either visible mold or airborne mold of types and concentrations in excess of that found in the local outdoor air or non-problematic control areas elsewhere in the same building, whichever is lower. The Lessor shall safely remediate all actionable mold in accordance with sub-paragraph B.2 below
2. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, September 2008 or ANSI/IICRC S520-2015 Standard for Professional Mold Remediation), published by EPA, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards, and guidelines.
3. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased Space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the plan or any other applicable Federal, state, or local laws, regulatory standards, or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.
4. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate the actionable mold, the Government may implement a corrective action program and deduct its costs from the rent.

4.10 OCCUPANT EMERGENCY PLANS (OCT 2020)

The Lessor is required to cooperate, participate and comply with the development and implementation of the Government's Occupant Emergency Plan (OEP) and a supplemental Shelter-in Place (SIP) Plan. Periodically, the Government may request that the Lessor assist in reviewing and revising its OEP and SIP. The Plan, among other things, will include evacuation procedures and an annual emergency evacuation drill, emergency shutdown of air intake procedures, and emergency notification procedures for the Lessor's Building engineer or manager, Building security, local emergency personnel, and Government agency personnel.

SECTION 5 ADDITIONAL TERMS AND CONDITIONS

5.01 PROVISIONAL ACCEPTANCE (FEB 2021)

A. At a time of exceptional circumstance, i.e., pandemic, the Government may accept the Space on a provisional basis until such time that a re-inspection on-site can occur. In this instance and upon request from the LCO, the Lessor shall provide such documentation (e.g., picture(s), video(s) and/or a representative on-site for a live-stream or 'virtual' walkthrough) to confirm substantial completion. In such an instance the Government may withhold a percentage of lump sum Tenant Improvement payment as a reserve to ensure that all deficiencies and/or punch list item(s) will be addressed by the Lessor within the time frame established or until the Government can determine the space has been delivered in accordance with the Lease requirements, Design Intent Drawings and Construction Drawings.

B. At such time as a physical on-site inspection is deemed possible by the Government, the Government reserves the right to physically inspect the Space with an on-site representative to conduct a space measurement and to document any deficiencies and/or punch-list item(s) for the Lessor's correction.

C. Upon re-inspection and Government acceptance of any deficiencies and/or punch list item(s) documented per above, or in the instance of no such documented items, this provisional acceptance will be rendered non-provisional and fully accepted by the Government via subsequent Lease Amendment.