



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

**Thursday
March 11, 2021**

**Virtual Meeting
Zoom Meeting: [Zoom.us](https://zoom.us)
Meeting ID: [820 6332 8775](https://zoom.us/j/82063328775)
Meeting Password: 3217
7:00 P.M.**

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

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

- 1. MINUTES OF THE REGULAR MEETING HELD FEBRUARY 25, 2021.**
- 2. COMMITTEE REPORT(S):**
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)**
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)**
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc)**
 - d) CITY & COUNTY LIAISON**
 - e) STATE & FEDERAL LIAISON**
 - f) VANDENBERG LIAISON**
 - g) BUSINESS PARK COMMITTEE (Ad Hoc)**
- 3. GENERAL MANAGER'S REPORT**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register**
- 5. DISTRICT COUNSEL'S REPORT. (Joshua George and Natalie Frye Laacke)**

6. **PUBLIC SESSION:** Statements from the public will be heard during public session. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public may use the “raise hand” feature to be put in a speaking queue. Public comment will be limited to three (3) minutes. If a speaker continues speaking after being notified of the end of their public comment period, the meeting Host will mute the speaker and move on to the next person in the queue.

Please raise your hand in the following ways:

Telephone: Press “*9” to raise your hand and notify the meeting Host. You will be placed in the queue and unmuted, in order, so that you may provide public comment.

Computer and Mobile: Click the “raise hand” button to notify the Host. You will be placed in the queue and unmuted, in order, so that you may provide public comment.

7. **PRESENTATION BY TOM WIDROE REGARDING U.S. CUSTOMS AT THE SANTA MARIA AIRPORT.**
8. **DISCUSSION AND DIRECTION TO STAFF REGARDING EFFORTS TO REINSTATE USER FEE CUSTOMS AT THE SANTA MARIA PUBLIC AIRPORT DISTRICT.**
9. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE LEASE AGREEMENT BETWEEN THE DISTRICT AND GRESSER FARMS.**
10. **CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
 - a) Conference with Real Property Negotiators (Chris Hastert, Tom Ross, and District Counsel) Re: APN 111-231-10 and APN 111-231-11 (Gov. Code Section 54956.8)
 - b) Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-SMPAD v. Smith, Santa Barbara Superior Court Case No. 20CV04445
 - 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
11. **DIRECTORS’ COMMENTS.**
12. **ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD FEBRUARY 25, 2021

The Board of Directors of the Santa Maria Public Airport District held a Regular Meeting via a virtual meeting at 7:00 p.m. Present were Directors Brown, Engel, Rafferty, Adams and Baskett. General Manager Hastert, Manager of Finance & Administration Reade, and District Counsel Frye Laacke.

1. MINUTES OF THE REGULAR MEETING HELD February 11, 2021. Director Baskett made a Motion to approve the minutes of the regular meeting held February 11, 2021. Director Rafferty Seconded and it was carried by the following roll call vote. Directors Brown, Engel, Rafferty, Adams and Baskett voted "Yes".
2. COMMITTEE REPORT(S):
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – No meeting scheduled.
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.
 - d) CITY & COUNTY LIAISON – No meeting scheduled.
 - e) STATE & FEDERAL LIAISON – No meeting scheduled.
 - f) VANDENBERG LIAISON – No meeting scheduled.
 - g) BUSINESS PARK COMMITTEE (Ad Hoc) – No meeting scheduled.
3. GENERAL MANAGER'S REPORT. Mr. Hastert updated the Board on our FAA inspection.
4. MANAGER OF FINANCE & ADMINISTRATION REPORT.

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

 - a) Demand Register. The Demand Register, covering warrants 068716 through 068753 in the amount of \$104,299.87 was recommended for approval as presented. Director Rafferty made a Motion to accept the Demand Register as presented. Director Adams Seconded and it was carried by the following roll call vote. Directors Brown, Engel, Rafferty, Adams and Baskett voted "Yes".
 - b) Budget to Actual. Received and filed.
 - c) Financial Statements. Received and filed.
5. DISTRICT COUNSEL'S REPORT. Nothing to report.

6. PUBLIC SESSION: Statements from the public will be heard during public session. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public may use the “raise hand” feature to be put in a speaking queue. Public comment will be limited to three (3) minutes. If a speaker continues speaking after being notified of the end of their public comment period, the meeting Host will mute the speaker and move on to the next person in the queue.

Please raise your hand in the following ways:

Telephone: Press “*9” to raise your hand and notify the meeting Host. You will be placed in the queue and unmuted, in order, so that you may provide public comment.

Computer and Mobile: Click the “raise hand” button to notify the Host. You will be placed in the queue and unmuted, in order, so that you may provide public comment.

No one requested to speak.

7. Authorization for two staff members and two community members to attend the annual Mead & Hunt Air Service Development conference to be held March 30th, through April 1st, 2021 virtually. Director Rafferty made a Motion to approve. Director Baskett Seconded and it was carried by the following roll call vote. Directors Brown, Engel, Rafferty, Adams and Baskett voted “Yes”.
8. Authorization for the President and Secretary to execute the Fourth Amendment of Lease between the District and Gresser Farms. Director Rafferty made a Motion to approve. Director Adams Seconded and it was carried by the following roll call vote. Directors Brown, Engel, Rafferty, Adams and Brown voted “Yes”.
9. Authorization for the President and Secretary to execute the Twenty-Second Amendment of Lease between the District and CJJ Farms. Director Rafferty made a Motion to approve. Director Baskett Seconded and it was carried by the following roll call vote. Directors Brown, Engel, Rafferty, Adams and Baskett voted “Yes”.
10. Resolution 894. A Resolution of the Board of Directors of the Santa Maria Public Airport District supporting the nomination of Director Rafferty for the California Special Districts Association Board of Directors. Director Adams made a Motion to approve. Director Engel Seconded and it was carried by the following roll call vote. Directors Brown, Engel, Adams and Baskett voted “Yes”. Director Rafferty Abstained.
11. CLOSED SESSION. At 7:19 p.m. the Board went into Closed Session to discuss the following item(s):
 - a) Conference with Real Property Negotiators (Chris Hastert, Tom Ross, and District Counsel) Re: APN 111-231-10 and APN 111-231-11 (Gov. Code Section 54956.8)
 - b) Conference with Real Property Negotiators (Chris Hastert and District Counsel) Re: 4000 S. Blosser Road, Space 14 (Gov. Code Section 54956.8)
 - c) Conference with Legal Counsel-Existing Litigation pursuant to Paragraph (1) of subdivision (d) of Section 54956.9-SMPAD v. Smith, Santa Barbara Superior Court Case No. 20CV04445

- 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

At 7:40 p.m., the Board and staff reconvened to Open Public Session.

There were no reportable actions.

12. DIRECTORS' COMMENTS: Directors Brown and Engel had no comment.

Director Rafferty thanked the Board for their nomination.

Director Adams inquired about the check approval process.

Director Baskett asked for an update on Customs and the Radisson.

13. ADJOURNMENT. President Brown asked for a Motion to adjourn to a Regular Meeting to be held on March 11, 2021 at 7:00 p.m. via a virtual meeting. Director Adams made that Motion, Director Rafferty Seconded and it was carried by the following roll call vote. Directors Brown, Engel, Rafferty, Adams and Baskett voted "Yes".

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 7:45 p.m. on February 25, 2021.

Steve Brown, President

Hugh Rafferty, Secretary

2020-2021

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 068754 to 068794 and electronic payments on Pacific Premier Bank and in the total amount of \$245,129.77.

CHRIS HASTERT
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 068754 to 068794 and electronic payments on Pacific Premier Bank in the total amount of \$245,129.77 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 MARCH 11, 2021.

HUGH RAFFERTY
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 068754	2/24/2021	AT&T	44.64	Phone Service
* 068755	2/24/2021	Clark Pest Control	330.00	Weed/Vector Control
* 068756	2/24/2021	Comcast	3,533.39	Cable/Internet /Digital Voice
* 068757	2/24/2021	Craig Roof Co.	18,702.00	Final Retention-Fire Station Roof Repair
* 068758	2/24/2021	Earthbound Electric	2,590.00	Lighting Maintenance-Terminal Area Street
* 068759	2/24/2021	Frontier Communications	605.18	Telephone Service
* 068760	2/24/2021	J B Dewar	307.87	Fuel Expense - Gas/Diesel
* 068761	2/24/2021	Pathpoint	1,483.65	Airport Maintenance Service
* 068762	2/24/2021	SCS Engineers	200.00	Workplan for Assesment of PFAS
* 068763	3/5/2021	Chuck Adams	200.00	Directors Fees
* 068764	3/5/2021	AT&T	374.05	Phone Service
* 068765	3/5/2021	BMI PacWest	1,680.00	Buildg. Maint. - Terminal
* 068766	3/5/2021	CED	31.16	Lighting Maintenance
* 068767	3/5/2021	Coast Networx	210.00	Computer Support
* 068768	3/5/2021	City of Guadalupe	18,333.15	Security Service
* 068769	3/5/2021	City of Santa Maria	4,630.84	Water Invoices
* 068770	3/5/2021	Clark Pest Control	960.00	Weed/Vector Control
* 068771	3/5/2021	Coast Clutch & Brake Supply	61.84	Heavy Equip. Maint. - Mech.
* 068772	3/5/2021	CA Society of Municipal Finance	110.00	Membership Renewal
* 068773	3/5/2021	Earthbound Electric	14,022.78	Lighting Maintenance-Terminal Area Street
* 068774	3/5/2021	Carl Engel, Jr.	300.00	Directors Fees
* 068775	3/5/2021	Frontier Communications	1,457.02	Telephone Service
* 068776	3/5/2021	Grainger	49.56	ARFF Vehicle Maintenance
* 068777	3/5/2021	Groveman Hiete LLP	2,345.00	Legal Counsel Service
* 068778	3/5/2021	Ray Heath	3,575.20	Consulting Service
* 068779	3/5/2021	Patricia Kent	100.00	Returned-AOA Badge Charge
* 068780	3/5/2021	MarTeeney Designs	275.00	Web Page Maint.
* 068781	3/5/2021	Esmeralda Mendoza	250.00	Lease Termination Refund
* 068782	3/5/2021	Mission Uniform Service	153.19	Uniform Service
* 068783	3/5/2021	Outdoor Supply Hardware	219.65	Hardware & Supplies

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 068784	3/5/2021	Principal Financial Group	2,757.58	Dental, Life, Disability, Vision
* 068785	3/5/2021	Hugh Rafferty	400.00	Directors Fees
* 068786	3/5/2021	Ross Reality	60,635.70	Brokerage Services
* 068787	3/5/2021	Sherwin-Williams	283.84	Painting Supplies
* 068788	3/5/2021	S Lombardi & Assoc., Inc.	38,345.33	Airport Advertising
* 068789	3/5/2021	Sousa Tire Service, LLC	21.77	Vehicle Tires
* 068790	3/5/2021	Sy Tech Solutions	3,800.00	Computer Support Services
* 068791	3/5/2021	Verizon Wireless	865.06	Mobile Devices
* 068792	3/5/2021	Your People Professionals	754.17	Employee Recruitment
* 068793	3/5/2021	Armstrong's Lock and Key	917.73	Maintenance
* 068794	3/5/2021	The Gas Company	2,008.76	Utilities
			<u>\$ 187,925.11</u>	
ACH	3/2/2021	Pacific Premier Bank Fees	989.33	Credit Card Fee
ACH	3/2/2021	CalPERS	5,664.70	Employee Retirement
ACH	3/3/2021	Mass Mutual	4,088.54	Employee Paid Retirement
ACH	3/4/2021	Paychex	245.99	Paychex Invoice
ACH	3/4/2021	Paychex	24,845.41	Payroll
ACH	3/5/2021	Paychex	178.20	Paychex Invoice
ACH	3/5/2021	Paychex	5,281.58	Payroll Taxes
ACH	3/8/2021	PG&E	9,638.95	Terminal/Admin./Main Hangar
ACH	3/8/2021	PG&E	6,136.79	Terminal/Admin./Main Hangar
ACH	3/8/2021	ReadyRefresh	135.17	Water Delivery
Subtotal			<u>\$ 57,204.66</u>	
Total			<u><u>\$ 245,129.77</u></u>	

LAND LEASE

This Land Lease ("Lease") dated March 11, 2021, is made and entered into by and between SANTA MARIA PUBLIC AIRPORT DISTRICT, a public district of the State of California (herein called "District") and GRESSER, INC., a California corporation (herein called "Tenant").

1. PREMISES. Subject to any approval required of the Federal Aviation Administration, which approval District shall promptly apply for, District hereby leases to Tenant, and Tenant hires from District, for the term and rent, upon the terms, conditions and covenants, and subject to the reserved rights and easements, of record or set forth below, the real property at the Santa Maria Public Airport (the "Airport") in Santa Maria, California, consisting of approximately 157.8 acres, as shown shaded on the plot plan marked Exhibit "A" attached and incorporated by this reference, together with those appurtenances specifically granted in this Lease (the "Premises"). District reserves the right to remove acreage from the lease upon one (1) year's written notice to Tenant, if necessary to comply with mitigation measures or other conditions imposed by federal, state or local agencies, as a condition of development of other District owned property. In such event, rent shall be reduced proportionately. Tenant shall access the Premises from either Dutard Road or Blosser Road.

2. TERM. The initial term of this Lease shall be for an approximate five (5) year, three and one half (3 ½) month period commencing on March 11, 2021 and ending on June 30, 2021, unless sooner terminated pursuant to the terms of this Lease; provided, District reserves the right to terminate this Lease on one (1) year's written notice in accordance with the provisions of Paragraph 25, District's Right to Early Termination. This Lease shall automatically be extended in one (1) year increments, unless either party provides notice to the other party of its intent to cancel at least two (2) years prior to the Lease's expiration, as it may be extended, up to a maximum of five (5) times (expiring June 30, 2031, at the latest).

3. RENT. Tenant shall pay to District as initial annual rent for the Premises, the sum of One Thousand Dollars (\$1,228) per acre per year, (157.8 acres x \$1,228 per acre = \$193,778) beginning July 1, 2021 plus any adjustment in accordance with the provisions of Paragraph 3c Rent Increase. Tenant shall pay one-half the annual rent in advance to District on July 1 of each year, commencing July 1, 2021. Tenant shall pay to District the other one-half of the annual rent, in advance, on January 1 of each year. Rent is payable at the District's office at 3217 Terminal Drive, Santa Maria, CA 93454, without notice, demand, reduction, or offset on the dates specified.

a. Water Additional. The annual rent does not include the cost of any water. Recycled Water (defined below), and District well water, are available. Tenant may purchase both at the rates, and subject to the conditions, specified below. District has authorized the installation of an additional water well located on Premises. Installation of a pipeline to the existing Recycled Water and the two backup wells is also authorized. Tenant shall be liable for any damage caused by its Tenant, subtenants, and any of Tenant's or any subtenant's employees,

officers, directors, contractors or others acting for or on its behalf, to the Recycled Water system or well system.

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

c. Rent Increase. Effective July 1, 2021, and annually thereafter on July 1 of each calendar year, the per acre rental rate shall be adjusted upwards, but not downwards, by the percentage proportion of the change in the Consumer Price Index, Pacific Cities and U. S. City Average (All items indexes. 1982-84=100 unless otherwise noted. Not seasonally adjusted.) ending All Urban Consumers for Los Angeles-Long Beach-Anaheim (the "CPI") published by the United States Department of Labor, Bureau of Labor Statistics, or its successor in function, for the most recent 12-month period available before the adjustment date.

d. Rent Credit. District shall provide a rent credit for improvements completed within the first six (6) months of the initial term to tenant in a collective amount not to exceed \$1,390,000 for improvements listed on Exhibit "F". Tenant shall provide detailed invoices and proof that the improvement has been completed prior to approval of the reimbursement. District general manager may approve credit for improvements that exceed the \$1,390,000 collective estimate by up to 10%, provided that Tenant notifies District prior to such over expenditure. Any constructed improvements not explicitly listed on Exhibit "F", or any amounts expended by Tenant over the approve estimates shall be at Tenant's sole cost and expense, unless Tenant receive prior written approval from general manager shall. Grading, basins, and fencing improvements shall be installed as detailed in Exhibit "G". Any early termination by District in accordance with the provisions of Paragraph 25, District's Right to Early Termination shall require reimbursement to Tenant for any qualified rent credit that has not yet been realized or applied.

4. Recycled Water. District installed a pipeline to deliver disinfected tertiary recycled water ("Recycled Water") from Laguna County Sanitation District ("Laguna")'s pipeline to District property for irrigation uses. Tenant has, under a separate lease, connected its irrigation system to District's Recycled Water pipeline. District shall maintain the Recycled Water pipeline. Tenant shall operate and maintain its irrigation system at its sole cost and expense. Tenant, as the ultimate user of the Recycled Water, shall comply with all applicable provisions of the Agreement to Use Recycled Water between District and Laguna dated January 21, 2003, and the First Amendment to Agreement to Use Recycled Water effective December 14, 2004. A copy of each is attached as Exhibit "B" and Exhibit "C", respectively (jointly, the "Recycled Water Agreement"). The applicable provisions include, but are not limited to, the

requirement to use farming industry best management practices regarding the use, application and limitations of Recycled Water. Tenant agrees to be bound by all future amendments to the Recycled Water Agreement; provided, if any amendment unreasonably interferes with Tenant's farming operations, Tenant shall have the right to terminate the Lease on sixty (60) days' written notice to District, delivered no later than thirty (30) days after the effective date of the amendment. Tenant shall also have the right to terminate if the Recycled Water Agreement is amended to provide for any rate increase during the term of the Lease other than those increases specified in the attached First Amendment to Recycled Water Agreement (Exhibit "C"). Tenant may use Recycled Water for all irrigation uses on the Premises, except as otherwise provided in the Recycled Water Agreement and this Lease. District shall not be liable for any interruptions or failures in Recycled Water delivery, nor for the quality of Recycled Water. Tenant shall be responsible for securing a backup water supply at Tenant's sole cost and expense, if desired, in the event Recycled Water and District well water are unavailable. Tenant hereby releases and shall indemnify, protect, defend and hold District, its officers, directors, employees and agents, harmless from and against any and all liability, loss, claims and damages, including, but not limited to, crop damages, crop failure, attorneys' fees and costs of litigation arising out of or in any way related to Tenant's use of or reliance upon Recycled Water or District well water.

District agrees to supply Tenant with copies of all analytical data in its possession or subject to its control regarding the Recycled Water and District well water upon reasonable demand.

5. Cost of Recycled Water. Tenant shall pay Laguna directly for the Recycled Water charges. If District is billed by Laguna, Tenant shall reimburse District within ten (10) days after receipt of an invoice from District for the Recycled Water charges. Rent.

6. District Well Water. Tenant shall have a non-exclusive right to use reasonable quantities of District well water for irrigation of the Premises only.

"District does not warrant, and shall not be liable for, any interruptions or failures in water delivery from District wells, nor for the quality of well water.

"Tenant shall reimburse District for actual cost associated with District wells including pump permit fees.

a. Payment for Diesel Fuel/Utilities. Tenant shall pay for the diesel fuel or utilities to run the pumps on each well as long as Tenant is the sole user of the District wells. District reserves the right to use well water for its own purposes, or to allow others to use the well water. In the event District or any other person with District's consent uses District well water, the cost of the diesel fuel shall be prorated among the users.

b. Maintenance of Pumps. Tenant shall also maintain the District above-ground well pumps in a first class condition, ordinary wear and tear excepted. Tenant shall contract with a firm approved by District to maintain the District wells. If Tenant fails to do so, District may contract with a firm to provide maintenance of the well pumps and engines, and such maintenance costs shall be Additional Rent, due and payable

immediately to District on demand. All rights and remedies available to District for non-payment of rent shall apply to the maintenance costs for the well pumps and engines. In the event District or any other person with District's consent uses District well water, the maintenance costs for the well pumps and engines shall be prorated among the users."

7. Prevention of Escape of Irrigation Water. Tenant shall not allow Recycled Water to escape from the Premises by airborne spray or surface flow except in minor amounts such as that associated with good irrigation practice, as approved by the applicable regulatory agency (currently Santa Barbara County Environmental Health Services). In the case of well water, except for normal drainage of irrigation tail waters through existing drainage channels, Tenant shall irrigate the Premises in such a manner as to prevent water from escaping the Premises onto property of others, or other property owned by District or Tenant or upon public highways. In the event of any escape of irrigation water in amounts which cause damage downstream, Tenant shall pay all damages occasioned thereby, and take all necessary steps to prevent any such escape of irrigation water in the future at Tenant's sole cost and expense.

8. Irrigation. Tenant shall use best farming practices in the use and application of both District well water and Recycled Water to avoid waste and unnecessary runoff. Except to the extent commercially unreasonable, Tenant shall use drip irrigation for established plants but may use sprinkler irrigation for newly planted crops.

9. Permitted Uses of Premises. Tenant shall use the Premises only for strawberry, vegetable or other crop cultivation. Tenant shall not use the Premises or any portion thereof for any other purposes, unless the use and rent increase are approved in advance in writing by the District. Nothing contained herein shall be deemed to give Tenant exclusive rights at the Airport in connection with any of the permitted uses herein. Tenant may install and maintain 6 foot fence with 3 strand barbed wire completely enclosing the Premises. Tenant is aware that adjacent property is leased for livestock grazing. District shall not be liable to Tenant for any damage caused by livestock or other tenants.

For any strawberry, vegetable or other irrigated crop use, Tenant and any subtenant shall comply with the following conditions:

a. If the use of any impervious or semi-impervious surface coverings (such as plastic) increases storm water runoff to the extent that downstream property is eroded, Tenant shall, upon notice from District, repair the eroded property, and prevent any subsequent downstream erosion or else cease the use that is creating the erosion. Should Tenant fail to do so within fifteen (15) days of notice from District, District shall have the right to terminate this Lease upon thirty (30) days' written notice to Tenant. In the event of any such termination, Tenant shall still be obligated to repair any eroded property. Nothing herein shall be deemed to make Tenant responsible for an act of God wherein storm waters are of such volume or velocity that the damage would have been caused regardless of the impervious or semi-impervious surface coverings.

b. No irrigated crops shall be grown, no spraying of any herbicide, insecticide or other substance shall occur within fifty (50) feet of any City of Santa Maria or District water well. No storage or ponding, even temporarily, of any chemicals or fuel or storage of chemical or fuel dispensing equipment shall be permitted within 300 feet of any City of Santa Maria water well

10. Specific Prohibited Uses. Tenant shall not use or permit use of the Premises or the Airport, or any portions thereof, for any of the following purposes:

(a) Retail sale of crops, livestock or any other items;

(b) Grazing or pasturing of livestock;.

(c) Use any portion of the Airport contrary to or in violation of the directives, rules or regulations of the District, or governmental entity or agency having jurisdiction, as such directives, rules or regulations now exist or may exist in the future; provided, however, that if any directive, rule or regulation adopted in the future unreasonably impairs Tenant's ability to grow crops on the Premises, then Tenant shall have the right to terminate this Lease on sixty (60) days' written notice to District delivered no later than thirty (30) days after the effective date of the directive, rule or regulation.

(d) Store on the Premises or elsewhere on the Airport any property or articles, or conduct any activities or operations which are not directly related or incident to the permitted uses in Paragraph 9 of this Lease; provided any storage incident to the Permitted Uses requires prior written consent of District's General Manager as set forth in Paragraph 19.

(e) Erect any structure except fences and gates, hoop houses subject to airspace evaluation and approval of the General Manager, and irrigation system on the Premises.

(f) Conduct any use or activity which would affect safe air navigation, or would be hazardous to safe operation of aircraft, including but not limited to: use or location on the Premises of any material which would cause sunlight to be reflected toward an aircraft on initial climb or final descent; any use or activity which would direct steady or flashing lights at aircraft, on initial climb or final descent; any use or activity which would generate smoke or attract large concentrations of birds.

(g) Store any hazardous or toxic materials (defined in Exhibit "D" attached hereto) on the Premises, except as approved by District in writing and in accordance with the terms and conditions of all required permits.

(h) Permit any residential use or overnight camping or occupancy.

(i) Tenant acknowledges that Premises is located within the secure Airport Operations Area (AOA). All operations and personnel in this area are subject to security requirements designated by the airport and subject to review and approval by the Transportation Security Administration. Tenant may make improvements including installation of fencing to

reduce the security requirements for this additional area, such improvements must be submitted to District for review, written approval prior to construction

- (i) Conduct any use other than the permitted uses in Paragraph 9.

11. Farming Operations. All farming operations on the Premises shall be performed at the sole cost and expense of Tenant. Tenant shall keep the Premises free and clear of all liens or claims of any kind for labor or material. Tenant shall use its best efforts to remove squirrels, gophers and other rodents on said Premises. Tenant shall abide by all laws and obtain all permits necessary in the application of pesticides, herbicides, defoliants, fumigants or rodenticides.

12. Litter and Trash.

a. Clean Condition. Tenant shall keep the Premises, at Tenant's expense, clean and free from litter, trash and refuse and in an orderly and sanitary condition at all times. Tenant shall make a diligent effort to prevent the spread of all noxious weeds, and rodents and other vertebrate pests on or from the leased Premises and to take reasonable measures to protect the leased Premises and Airport from infestation of birds, insects and other pests. Tenant shall comply with all orders and instructions of District's General Manager in the use of the leased Premises or Airport property which the General Manager deems in his sole discretion to be in the best interest of the District, the public or users of the Airport, or for their safety and welfare.

13. Utilities. District shall have no responsibility to provide utility extensions of any kind to the Premises, and any such extension by Tenant shall be at Tenant's sole cost and expense after consent by District as provided in Paragraph 18 herein.

14. Taxes, Licenses. Tenant shall pay before delinquency any and all taxes, assessments, fees or charges, including possessory interest taxes, and real property taxes which may be imposed, levied or assessed upon any leasehold or possessory interests of Tenant, and personal property, improvements or fixtures owned, controlled or installed by Tenant and used or located on the Airport or used in Tenant's business. Tenant shall also secure and maintain in force during the term of this Lease all licenses and permits, which are required by law for the conduct of Tenant's business or operations.

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

16. Indemnity. Tenant shall defend (with counsel acceptable to District), indemnify and hold harmless District, its directors, officers, employees, agents and representatives, and the leased Premises (collectively "District") at all times from and against any and all liabilities, proceedings, liens, actions, penalties, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character which

District may incur, sustain or be subjected to (collectively "Liabilities") arising out of or in any way connected with: the acts or omissions of Tenant, any subtenant, or either of their officers, agents, employees, guests, customers, visitors or invitees (collectively "Tenant"); or Tenant's or any subtenant's operations on, or use or occupancy of, the Premises. The foregoing indemnification excludes only Liabilities caused by the sole active negligence of District or its willful misconduct. Tenant shall also indemnify and hold District harmless from and against any Liabilities including third party claims, environmental requirements and environmental damages (as defined in Exhibit "D"), costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the leased Premises or the improvements thereon or District's property or improvements in the vicinity of the leased Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal (collectively "Release") of any toxic or hazardous materials (defined in Exhibit "D") which occurs in, on or about the leased Premises or the Airport as the result of any of Tenant's or any subtenant's activities or of any of Tenant's or any subtenant's officers, agents', employees', customers, visitors, invitees', licensee, guests', successors' or assigns' activities. Tenant shall notify District immediately of any Release of any toxic or hazardous material on the Premises. Tenant shall not be responsible for any debris, trash or hazardous or toxic material on the Premises which predates Tenant's occupancy of the Premises (under this Lease or any prior lease or sublease), including, but not limited to, asbestos in buildings and existing oil pipelines.

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

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

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

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

18. Alterations; Removal of Tenant-Installed Property. Except as expressly permitted herein, Tenant shall make no alterations, additions or improvements on the Premises or otherwise at the Airport without District's prior written consent. All alterations, additions or improvements made by Tenant at the Airport shall, during the Lease, be Tenant's property. All such improvements shall, unless District elects otherwise, become the property of District at the expiration or termination of the Lease including, without limitation, fences and irrigation system, and shall remain upon and shall be surrendered with the Premises without disturbance, molestation, or injury. If District elects (by written notice to Tenant) that all or a designated portion of the alterations, additions, or improvements made by Tenant shall be removed by and at expense of Tenant, then Tenant shall at Tenant's expense remove (within 30 days after such notice) such alterations, additions or improvements, or such portion thereof designated by District, restore District's property to at least its former condition and repair any damage resulting from such removal.

19. Airport Facilities. Tenant's automobiles, farm equipment and other vehicles of Tenant and Tenant's employees and business invitees shall be parked, loaded and unloaded only on the Premises. Tenant shall observe, obey and abide by all directives, rules and regulations for maintenance and conduct of Tenant's operations at the Airport, which exist now or may hereafter be imposed by District's board of directors, Federal Aviation Administration, City of Santa Maria, or any other governmental agency having jurisdiction; provided that if any directive, rule or regulation unreasonably interferes with Tenant's farming operations, Tenant shall have the right to terminate the Lease on sixty (60) days' written notice to District, delivered no later than thirty (30) days after the effective date of the directive, rule or regulation. Tenant shall not store any supplies, materials, vehicles or equipment on the Premises or the Airport without the prior written consent of District's General Manager. District has no obligation to provide security guards, lighting or fencing. Tenant is specifically denied access to the Airport Operating Area. Tenant shall not allow any gate to be left open unless it is attended in such a manner as to prevent the escape of livestock onto roads or property of others, or as to prevent unauthorized entry onto the Airport.

20. Federal Aviation Administration Rider Attached. The provisions of the FAA Rider are attached hereto as Exhibit "E" and are incorporated herein and made a part hereof.

21. Repairs and Maintenance. Tenant shall, at Tenant's sole cost and expense, keep and maintain the Premises and every part thereof in good and clean order, condition and repair, thereby waiving all rights to make repairs at the expense of District.

22. Acceptance; Surrender. Tenant agrees on the expiration or sooner termination of this Lease to surrender promptly to District the Premises in the same condition as when received, damage by acts of God or by the elements excepted, subject to the provisions of Paragraph 18.

23. Condemnation. In the event of any taking or damage of all or any part of the Premises or any interest therein by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the Premises or any interest therein made in avoidance of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") during the term of

this Lease, this Lease shall terminate as of the date of such appropriation, the rental shall be prorated to the date of termination, District shall be entitled to the entire award made with respect to such appropriation of the land and District improvements, including but not limited to the District wells and recycled water system, and Tenant hereby assigns to District all of Tenant's interest, if any, in such award as to the land and District improvements. Nothing herein shall be deemed to constitute a waiver or transfer of any award due Tenant associated with the loss of any of its crops or improvements installed by Tenant.

24. Termination by District. District, in addition to any right of termination as a matter of law or any other right herein given to District, may at its option cancel and terminate this Lease and agreement upon any default, by written notice thereof given to Tenant and a ten (10) day opportunity to cure, upon or after the occurrence of any of the following events:

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

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

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

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

25. District's Right to Early Termination. Notwithstanding any other provision contained in this Lease, District shall have the right to terminate this Lease as to all or the applicable portion of the Premises in the event District's Board of Directors (i) authorizes the sale of the Premises or any portion thereof and directs District staff to market the same for sale, or (ii) authorizes the lease of the Premises or any portion thereof for any use or purpose other than irrigated crops and directs District staff to market the same for lease, or (iii) grants an easement over the Premises that is incompatible with the permitted uses, or (iv) directs District staff to initiate use of the Premises or any portion thereof for airport or aeronautical purposes or any purpose or use beside irrigated crops, (v) determines that termination of all or a portion of the Lease is required by any governmental agency or entity as a mitigation measure of condition of development on any District property, including but not limited to, the Santa Maria Business Park, or (vi) determines that irrigation of the Premises is contributing to soil saturation/liquefaction beneath the Airport operating pavements; provided, District shall give Tenant written notice of the exercise of such right at least one (1) year prior to the date as of which such termination is to be effective. The term of this Lease shall then expire and come to an end on such date, as fully and completely as if that date were the day definitely fixed for expiration of the term.

26. Notices. All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and to Tenant at 3250 Skyway Drive, Suite 201, Santa Maria, CA 93455. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Delivery of any notice shall be deemed complete upon being deposited as aforesaid at any United States Post Office or branch or substation.

27. Nuisance. Tenant shall not commit, or suffer or permit waste, noise, odors, dust or any other nuisance on the Premises or any activity constituting an unreasonable interference with other District tenants or persons using, or neighbors of the Airport.

28. Assignment, Subletting and Encumbering. Tenant shall not assign, mortgage, encumber or grant control of this Lease or any interest, right or privilege herein or license or grant concessions for use of the leased Premises or any part thereof. Any such assignment, mortgage, encumbrance, transfer, permit or concession shall be void and, at the option of District, shall terminate this Lease. Tenant shall not sublet any portion of the Premises without the prior written consent of the District. Tenant shall provide District with copies of all subleases, which shall specifically be subject to the terms of this Lease, and have a copy attached, and obtain District's written consent. Unless otherwise specifically provided in any sublease that may be approved by District, Tenant shall pay District at least one-half of any rent or consideration received from any subtenant which exceeds the rent paid under this Lease.

29. Prohibition of Crops Within 20 Feet of Airport Operating Area Fence. The Premises includes land within twenty (20) feet of the Airport Operating Area ("AOA") perimeter fence. Tenant has no right to plant crops within twenty (20) feet of the AOA perimeter fence. Tenant shall remove any and all crops planted within twenty (20) feet of the AOA perimeter fence. If Tenant fails to do so, District may remove such crops at Tenant's expense. Tenant shall indemnify, defend and hold District harmless from and against any and all liability for costs of removal and damage to such crops.

Tenant shall remove any mounds or debris caused by Tenant operations against the AOA perimeter fence which effectively lowers the height of the fence below six (6) feet, not including barbwire.

30. Right of Entry. District, the Federal Aviation Administration, City of Santa Maria, County of Santa Barbara, any government entity having jurisdiction and any utility company shall have the right to enter the Premises at any reasonable time for inspections, to make repairs, or to show the Premises to prospective buyers or tenants or at any time in case of emergency.

31. Use of Hazardous Material. Tenant may not make any application of any pesticide, herbicide, rodenticide, fungicide or potentially hazardous material except under the direct supervision of a certified pest control operator, pest control applicator, or qualified applicator, whichever is appropriate to the material being applied and the process used to apply it.

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

33. Compliance With Laws. Tenant shall comply with all applicable and valid laws, rules, regulations and orders of federal, state and local governments and governmental agencies, including, but not limited to, any and all regulations concerning air quality and/or water quality, the environment or endangered species; fire and/or occupational safety; or accessibility; which may apply to the conduct of Tenant's business at the Airport. Tenant specifically agrees that it is a condition of the continuation of this lease that all materials used by Tenant for which a Material Safety Data Sheet is required, or otherwise referenced or listed on Exhibit "D", will be stored, used and disposed of, together with any contaminated by—products of such use, in strict compliance with the applicable Material Safety Data Sheet or the requirements of the governmental agency with authority to regulate such storage, use and disposal. Tenant shall not store or dispose of any such materials on the leased premises. Tenant will maintain on the leased premises and available for inspection at any reasonable time adequate records of material stored, used or disposed of, including but not limited to Material Safety Data Sheets and Uniform Hazardous Waste Manifests for material shipped from the leased premises.

34. General.

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

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

(c) This lease and Tenant's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights—of—way, and encumbrances affecting the premises now of record or hereafter granted, caused or suffered by District. This Lease is subordinate to any rights granted in the past or in the future by District to any government entity or any utility company or for construction and operation of radar, wires, cables, poles, conduits, wells, pipelines, brine disposal, related appurtenances, equipment, structures, facilities, access roadways and fencing associated therewith. This Lease is further subordinate to District's operation and construction and maintenance of water reclamation and

flood control projects including dams, ditches, reservoirs and pipelines and rights thereto granted to the Santa Barbara County Flood Control and Water Conservation District.

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

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

(f) This Lease is made subject to any approval of the Federal Aviation Administration which may be required.

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

36. Landlord's Remedies. Landlord shall have the following remedies if Tenant breaches the Lease:

a. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

b. Landlord can continue this Lease in full force and effect, and the Lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this Lease. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due, less the rent Landlord receives from any reletting. No act by Landlord allowed by this paragraph shall terminate this Lease unless Landlord notifies Tenant that Landlord elects to terminate this Lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.

c. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative

to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:

i. The worth, at the time of the award of the unpaid rent that had been earned at the time of termination of this Lease;

ii. The worth, at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;

iii. the worth, at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and

iv. Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

"The worth, at the time of the award," as used in (i) and (ii) of this paragraph, is to be computed by allowing interest at the rate of 10% per annum. "The worth, at the time of the award," as referred to in (iii) of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

d. In addition to any other remedy District may have under this agreement or by operation of law, District shall have the right, in the event of Tenant's nonpayment of rent, or in the event of any other default by Tenant in the performance or observance of any of the terms or condition of this Lease, or if Tenant shall abandon or vacate the Premises, to terminate this Lease upon written notice to Tenant and reenter the Premises and eject all persons and remove all property from the Premises or any part of the Premises. Any property removed from the Premises upon re-entry by District under this paragraph may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, and District shall have no liability therefor.

e. If Tenant is in default of this Lease Landlord shall have the right to have a receiver appointed to collect rent and conduct Tenant's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Landlord to terminate this Lease.

f. Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the rate set forth in subparagraph g, below, from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

g. Rent not paid when due shall bear interest from the date due until paid at the maximum rate an individual is permitted by law to charge.

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

DISTRICT:

Approved as to content on behalf of
District:

General Manager

Steve Brown, President

Approved to as form:

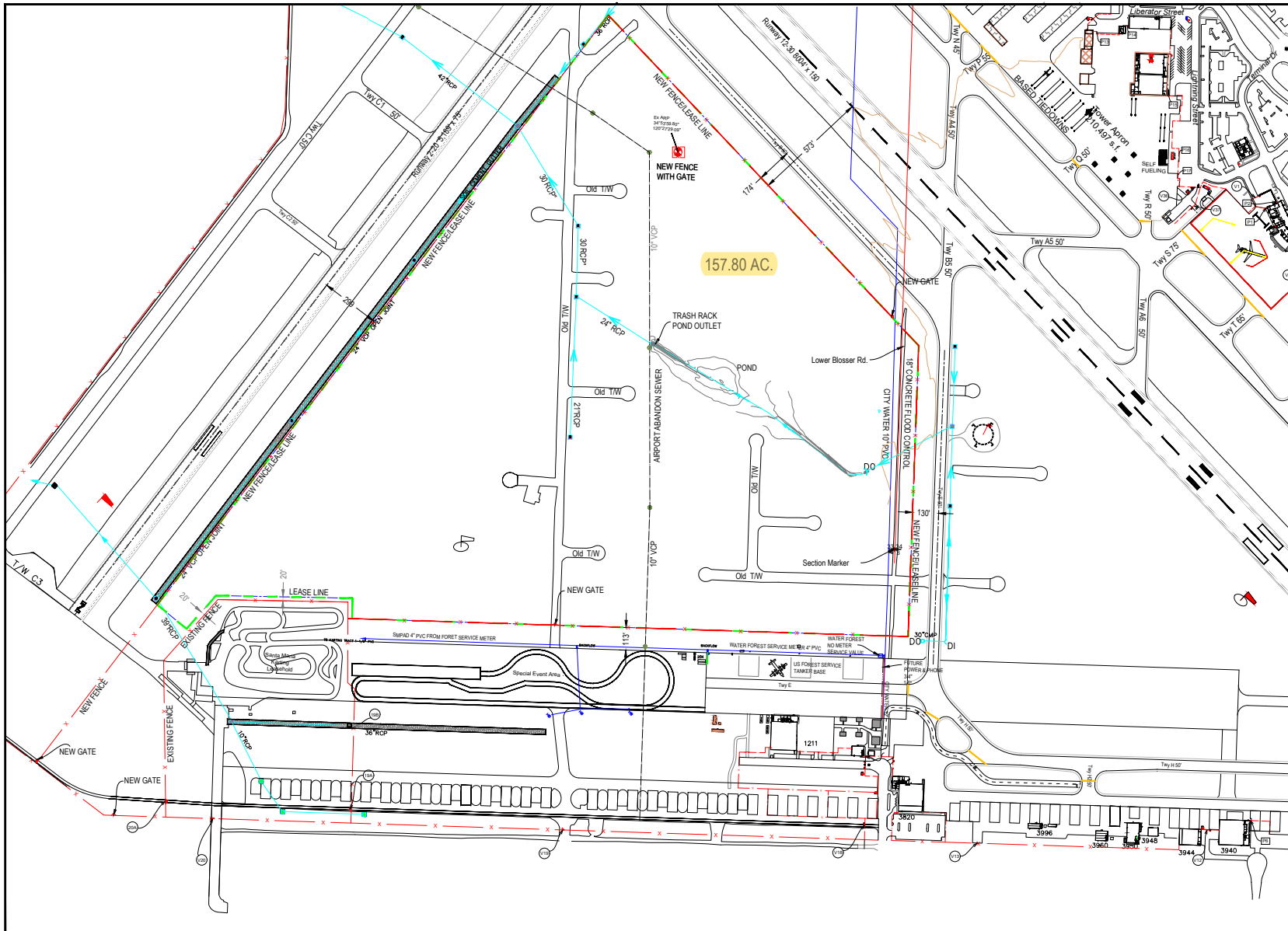
Hugh Rafferty, Secretary


District Counsel

TENANT:

GRESSER, INC.

Bryan Gresser, President






SANTA MARIA
PUBLIC AIRPORT DISTRICT
3217 TERMINAL DRIVE
SANTA MARIA, CA 93456
(805) 922-1726

EXHIBIT A

3-11-2021

REMOVED
INFIELD AGRICULTURE
157.80 AC.



100 500 1000
SCALE IN FEET

DATE	BY	NOTES
12/12/20	RM	

DRAWING

INFIELD LEASE

1 OF 1

Recording Requested By:

Return To:

Sheila Englemmer
North County
Public Works

24



2003-0123018

Recorded
Official Records
County Of
SANTA BARBARA
JOSEPH E. HOLLAND
Recorder

REC FEE .00

10:29AM 09-Sep-2003

BGC
Page 1 of 24

Title(s)

Agreement To Use Recycled Water

EXHIBIT "B"

AGREEMENT TO USE RECYCLED WATER

THIS AGREEMENT, is made and entered into this 21ST day of JANUARY, 2003,
by and between

LAGUNA COUNTY SANITATION DISTRICT,
a county sanitation district,
hereinafter referred to as "DISTRICT"

and

SANTA MARIA PUBLIC AIRPORT DISTRICT,
a California airport district,
hereinafter referred to as "USER"

RECITALS:

- A. The DISTRICT is required to secure long term effluent discharge alternatives.
- B. Water reclamation (recycling) is the beneficial use of treated wastewater for planned uses such as irrigation, industrial cooling, recreation, groundwater recharge, environmental enhancement, and other uses permitted under California law.
- C. Pursuant to California Water Code §13550, the California Legislature finds that use of potable domestic water for nonpotable uses is a waste and shall not be used if recycled water is available meeting the requirements for the beneficial use.
- D. DISTRICT owns and operates an existing wastewater reclamation plant that currently produces undisinfected secondary recycled water compatible for irrigation of pastureland used for grazing beef cattle and other users meeting Section 60304(d) of California Code of Regulation Title 22 Water Recycling Criteria.
- E. DISTRICT is constructing additional treatment processes and facilities at its Laguna County Sanitation District Wastewater Treatment Plant ("TDS Reduction and Recycled Water Project") that will produce recycled water suitable for irrigation meeting requirements for unrestricted public access pursuant to Section 60304(a) of California Code of Regulations, Title 22, Water Recycling Criteria (disinfected tertiary recycled water).
- F. USER owns certain real property in the City of Santa Maria, County of Santa Barbara, known as the Santa Maria Public Airport, designated as Assessor's Parcel Nos. 111-230-083, 085, 089, 090, 091, 092, 093, 094, 095, 096 and 099 (the "real property"). The real property consists of approximately 2444 acres, is shown on the attached Exhibit A, and is legally described as Parcels A, B, C, D, E, F and G of the Airport Lot Line Adjustment, Tract 5556, recorded as Instrument No. 89-052984 on August 11, 1989 in the Official Records of the County of Santa Barbara, State of California, excepting those portions of Parcel G deeded to Airport Mini Storage, LLC, and recorded as Instrument No. 96-014506, on March 8, 1996, and as Instrument No. 97-025980 on May 9, 1997, in the Official Records of the County of Santa Barbara, and excepting also that portion of Parcel

G deeded to Den-Mat Corporation, and recorded as Instrument No. 95-017541 on April 5, 1995, in the Official Records of the County of Santa Barbara Approximately 484 acres currently used for existing farming (west side agricultural uses), and 26 acres used for an existing golf course (Sunset Ridge Golf Center) may be suitable for irrigation with recycled water. Future proposed uses for irrigation with recycled water include 260 acres for a proposed golf course, 118 acres for existing eastside agricultural, and 74 acres for landscaping and additional westside agricultural farming and landscaping, an increase of approximately 452 acres during the term of this Agreement. The areas of both present and future irrigation uses are hereinafter referred to as the "Irrigation Areas". USER may, but is not required to, accept disinfected tertiary recycled water to spray on areas proposed for open space or pasture land.

- G. USER is willing to accept recycled water for irrigation uses and DISTRICT is willing to supply recycled water to USER per the terms and conditions set forth below.
- H. DISTRICT represents that recycled water furnished by DISTRICT to USER, pursuant to this Agreement, shall be of a quality which complies with all state statutes and regulations controlling the provision of disinfected tertiary recycled water and is suitable for USER's existing and proposed irrigation uses.

NOW, THEREFORE, DISTRICT and USER agree as follows:

1. **TERM.**

The term of this Agreement commences on the date first written above and terminates approximately twenty years later on December 31, 2022, unless terminated earlier under the conditions of Section 15 of this Agreement. DISTRICT shall deliver recycled water to USER no earlier than March 1, 2003 and no later than September 1, 2003, contingent upon both parties' ability to timely construct their respective systems; USER shall not be obligated to begin construction of its recycled system until DISTRICT has been producing recycled water that meets the requirements of Paragraph 6.A for sixty (60) days. This Agreement is contingent upon USER obtaining all required government approvals and upon USER being able to timely and economically mitigate any significant environmental impacts associated with its obligations under this Agreement.

2. **AREA OF USE (IRRIGATION AREAS)**

- A. Subject to the provisions of this Agreement, DISTRICT shall provide and USER shall use and apply recycled water supplied by DISTRICT on all available Irrigation Areas of the real property consisting initially of approximately 510 acres designated as "Existing Locations of Irrigation Areas" on attached Exhibit B, and increasing during the term of this Agreement to include up to an additional 452 acres, designated as "Future Locations of Irrigation Areas" on Exhibit B.
- B. Irrigation Areas listed in Exhibit B or otherwise located on USER's real property may be amended by USER to add, enlarge, reduce or divide the area to be irrigated with recycled water, subject to the provisions of Paragraph 3.A.

3. DELIVERY OF RECYCLED WATER

- A. Upon completion of DISTRICT's required recycled water distribution system to USER's property line, generally in the location depicted on Exhibit C attached, and upon completion of USER's recycled water distribution system, including but not limited to constructing reservoir(s), pipes, pumps, the connection of USER's irrigation system to DISTRICT's recycled water distribution system and DISTRICT's and USER's approval of a cross-connection inspection report, DISTRICT shall deliver recycled water to USER's recycled water system at the DISTRICT's distribution system's normal operating pressure (40 to 66 psi). Said deliveries shall be based on USER's need and shall be delivered to USER's facilities. The delivery rate will not exceed USER's irrigation needs but cannot exceed DISTRICT's flow which is currently 2.5 million gallons a day (mgd). Increases in delivery rate shall be dependent on USER's maximum demand or production by DISTRICT. USER's initial daily requirement is estimated at 1.44 mgd for both westside agriculture and for Sunset Ridge Golf Course. This daily requirement may vary depending on weather and rainfall.
- B. All use of recycled water will be in accordance with a schedule developed by DISTRICT and USER, designed to provide reasonable accommodation for all irrigation demands upon their respective recycled water distribution systems.

4. RECEIPT AND APPLICATION OF RECYCLED WATER

- A. USER shall receive and apply recycled water supplied by DISTRICT during the term of this Agreement for irrigation of the Irrigation Areas subject to the terms and conditions set forth in this Agreement.
- B. If irrigation or water quality requirements of USER exceed recycled water production or water quality capabilities of DISTRICT, USER agrees to use recycled water to the fullest extent possible before augmentation with other sources for irrigation of the Irrigation Areas as described in Section 2 above, except for portions of the Irrigation Areas as to which (i) application of the recycled water may be prohibited by the California Department of Health Services (DHS), the Regional Water Quality Control Board (RWQCB), or the Santa Barbara County Environmental Health Services (SBCEHS) [hereinafter referred collectively "the regulatory agencies"], regulations or guidelines, or (ii) the conversion to the use of or blending of other water sources is necessary to avoid damage to crops or degradation of soils.
- C. USER shall require its tenants to use farming industry best management practices regarding the use, application and limitations of recycled water. The suitability of a water may depend upon the level of management needed to successfully utilize the water in consideration of the types of crops grown, irrigation practices, soil characteristics and/or soil amendments such as fertilizer.

5. LIMITATIONS PRECLUDING DELIVERY OR ACCEPTANCE OF RECYCLED WATER

- A. Notwithstanding the requirements for DISTRICT to deliver recycled water as stated in Section 3 of this Agreement, both parties recognize and agree that such delivery of recycled water may at times be precluded for reasons beyond the control of the DISTRICT. In this respect, DISTRICT shall be required to deliver recycled water as stated in Section 3 of this Agreement unless said delivery is prevented by causes outside the control of DISTRICT including, but not limited to, acts of God, malfunctions of DISTRICT's treatment or distribution systems, acts of a third party, or by order of a governmental regulatory authority.
- B. Whenever the delivery of recycled water is interrupted, DISTRICT shall make its best effort to correct the cause of interruption and restore delivery of recycled water to USER as soon as possible. If recycled water is interrupted because of a malfunction of DISTRICT's treatment plant that prevents the delivery of recycled water, or results in production of inadequately treated recycled water, USER may use other water sources or stored water at its expense from its own potable water system until DISTRICT can deliver adequate quantities and satisfactory quality of recycled water.

6. QUALITY OF RECYCLED WATER

- A. The recycled water delivered to USER by DISTRICT shall be of a quality satisfactory and acceptable for irrigation of landscaped areas, including agricultural areas, with disinfected tertiary recycled water in accordance with Title 22, Division 4, Article 3, Section 60304(a) of the California Code of Regulations and the regulations, permits and guidelines of regulatory agencies including but not limited to Regional Water Quality Control Board and Santa Barbara County Environmental Health Services provided:

- (1) The recycled water shall not exceed the following limits by more than 10%:
- (i) Total dissolved solids - 900 mg/l.
 - (ii) Sodium - 180 mg/l.
 - (iii) Chloride - 150 mg/l.
 - (iv) Sulfate - 300 mg/l.
 - (v) Boron - 0.5 mg/l

If any of the above limits are exceeded, DISTRICT and USER shall investigate the impact of using water above these limits. DISTRICT shall also implement best efforts to reduce the above constituents to the required levels.

- (2) Electrical conductivity shall approximate 1400 micromhos per centimeter.

DISTRICT shall use its best efforts to reduce the amount of total dissolved solids and sodium below the maximum stated above.

- (3) All recycled water shall be adequately oxidized, filtered through microfiltration membranes and disinfected to tertiary treatment levels. At least 500,000 gallons a day of the recycled water shall also be processed through a reverse osmosis membrane.
 - (4) Turbidity shall not exceed 0.2 NTU more than 5% of the time within a 24-hour period and 0.5 NTU at any time.
 - (5) The recycled water shall not have a pH less than 6.5 or greater than 8.4.
 - (6) After disinfection, the total coli form concentrations shall not exceed a 7-day median value of 2.2 MPN/100 ml and a maximum value of 23 MPN/100 ml in more than one sample in any 30-day period.
- B. USER understands and agrees that the quality of the recycled water, particularly total dissolved solids, is different from that of USER's potable water supply and that a possibility exists that, with long-term use of recycled water, some landscape species may not thrive or survive. If such an event should occur, USER may, at its option, replace the landscape species with more tolerant species, or remove the affected irrigated area(s) from this Agreement.
- C. DISTRICT shall test the recycled water delivered to USER, as follows:
- (1) For electrical conductivity at least daily;
 - (2) For constituents regulatory agencies require to be tested at the frequency required by the regulatory agencies, except as otherwise provided in Exhibit "D" attached and incorporated by this reference; and
 - (3) for other constituents specified in Exhibit "D" at the frequency specified in Exhibit "D".

DISTRICT shall provide copies of the daily tests at least weekly to USER, or more frequently upon request, and copies of all other tests within one (1) week of their receipt by DISTRICT.

- D. USER or USER's agent, employee of contractor shall have the right to inspect DISTRICT's recycled water records and test the recycled water delivered to USER by DISTRICT, and shall have reasonable access to DISTRICT's facilities if necessary to conduct the tests or inspect records.

7. RECYCLED WATER USE REQUIREMENTS

USER understands and agrees that the use of recycled water is regulated by the regulatory agencies. Some of the requirements for use of recycled water are contained in

attached Exhibit "E" . DISTRICT and USER shall abide by all statutes and regulations regarding recycled water use and USER, at its sole costs, shall operate and maintain all facilities, except meters, on its real property for recycled water use on the Irrigation Areas until such time as USER may offer to dedicate, and District may accept, such facilities.

8. RECYCLED WATER SUPERVISOR

- A. USER shall designate and maintain an individual as USER's Recycled Water Supervisor who shall be USER's coordinator and direct contact person between DISTRICT and USER. USER agrees that the Recycled Water Supervisor shall be responsible for the proper operation of USER's recycled water system, training of USER's employees in handling recycled water, implementing the requirements of this Agreement relative to the onsite use of recycled water, monitoring of USER's recycled water system for prevention of potential hazards, and coordination with DISTRICT and the Regulatory agencies, when necessary. DISTRICT shall provide adequate training for USER's Recycled Water Supervisor and USER's employees handling recycled water. During the first three (3) years, DISTRICT shall create and provide USER's employees and tenants with a reasonable number of operating manuals, guidelines, checklists and instructions to assist in the operation of USER's recycled water system and assure compliance with DISTRICT's permits. Thereafter, DISTRICT shall provide annual training to USER's employees and tenants, up to 8 hours per year. This section does not preclude DISTRICT and USER personnel from meeting from time to time to discuss issues that may arise in the implementation of this Agreement.
- B. USER shall inform DISTRICT of the name, position, and telephone number of USER's Recycled Water Supervisor prior to startup of USER's recycled water system and shall promptly inform DISTRICT of any change of designated Recycled Water Supervisor or telephone number or other contact information during the term of his Agreement.

9. ONSITE FACILITY MODIFICATIONS AND PROPOSED ONSITE FACILITIES

- A. USER understands and agrees that certain modifications in existing onsite facilities may be required to conform to the special recycled water use requirements identified in Section 7 of this Agreement. DISTRICT shall assist USER in identifying the modifications and/or changes required in USER's onsite facilities.
- B. DISTRICT's responsibility for the cost of the conversion of USER's existing onsite irrigation system from the existing water supply system to the recycled water supply system and implementation of all proposed recycled water supply system facilities shall be limited to the following activities:
 - (1) Conferring with USER's existing and future agricultural and golf course tenants.
 - (2) Providing adequate signs for installation by USER on USER's Irrigation Areas for notification to the public that recycled water is in use in accordance with state and local agency regulatory requirements.

- (3) Providing and installing required recycled water meter(s), and submeters to facilitate the measurement of recycled water.
 - (4) Construction of distribution system to USER's property generally in the location depicted in Exhibit C attached, with appropriate valves, including a shut-off valve.
- C. USER shall design, install, construct, provide and be responsible for all costs (necessary or useful) to implement and maintain irrigation systems to all portions of USER's Irrigation Areas for use of recycled water provided by DISTRICT including mains, extensions and connections to DISTRICT's main distribution line, at least until such time as USER may offer to dedicate and District may accept such system. USER shall not be obligated to design and construct the irrigation system for, or use recycled water on, those areas designated as "Possible Interim Application Areas" or "Future Locations of Irrigation Areas" on Exhibit "B" unless and until USER decides to irrigate those areas with recycled water. Such work shall include but is not limited to the following:
- (1) All modifications to and isolation from USER's existing water system.
 - (2) Connection of USER's irrigation system to DISTRICT's recycled water delivery system.
 - (3) Placement, use and maintenance of all required storage facilities including pumping facilities.
 - (4) Repiping of USER's existing or alternate water source.
 - (5) Install signs provided by DISTRICT as required for employee and public notification that recycled water is in use.
 - (6) Any and all special protection of other water facilities from recycled water contact.
 - (7) Any modifications to USER's recycled water irrigation system, or new installations, as may be necessary to meet the special recycled water use requirements stated in Section 7 of this Agreement. Such modifications include, but are not limited to, sprinkler changes or modifications (including those needed to prevent recycled water from leaving the irrigated area boundaries), quick-coupler modifications or installation, repair of irrigation system leaks, elimination of ponding of recycled water or new or expanded systems.
 - (8) All initial and ongoing onsite management and operation costs of USER's recycled water system to ensure meeting DISTRICT's and regulatory agencies' requirements for use of the recycled water as stated in Section 7 of this Agreement.

- (9) USER shall be responsible for providing, planting and maintaining any and all plants, screens or other improvements used to hide the presence of any recycled water facility on USER's real property such as valves and backflow devices.
- D. The installation, modification, or construction of new facilities performed by USER on USER's onsite irrigation system shall be in accordance with the requirements of the regulatory agencies pertaining to non-potable water systems including, but not limited to, the proper marking of piping, valves, valve boxes, controllers, and all other components to differentiate them from onsite potable water facilities.
- E. USER agrees that DISTRICT shall be permitted to test USER's irrigation system for leaks prior to initiation of recycled water delivery. USER shall repair any and all such leaks within 30 days of notification by DISTRICT.

10. DRAWINGS

- A. Upon completion of all new irrigation systems or modifications to existing systems (recycled water and other water systems) USER shall provide DISTRICT with detailed drawings of the completed recycled water system(s) and other water system(s) on the Irrigation Areas.
- B. The drawings shall be accurate to the best knowledge of USER, and shall show the locations of all pipelines, controller, valves, fountains, buildings, structures, property, boundaries, and any other features known or considered to be important to the onsite use of recycled water.
- C. Any modifications approved by DISTRICT to system that USER desires may be implemented by USER, at USER's expense, provided such modifications comply with the requirements of the regulatory agencies and Title 22, Division 4 of the California Code of Regulations. USER shall provide DISTRICT with a preliminary plan for such modifications for approval by DISTRICT. USER shall provide DISTRICT with an accurate drawing reflecting the modifications within twenty (20) working days of completion of the modifications.

11. PRICE OF RECYCLED WATER

- A. USER shall pay DISTRICT for recycled water at a rate of \$230.18 per million gallons (\$75 per acre foot). Within ninety (90) days of recoupment of USER's costs for construction of its recycled water distribution system or retirement of its debt service for the same costs, if applicable, the rate shall increase to \$306.91 per million gallons (\$100 per acre foot). Price is thereafter subject to annual increases based on the Consumer Price Index (defined below) not to exceed 2% per year. The Consumer Price Index means the Consumer Price Index, All Items, 1982-84 = 100, Los Angeles - Anaheim - Riverside, For All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics, or its successor in function. If this Consumer Price Index is changed or modified, the Consumer Price Index issued or published by the United States Department of Labor most nearly answering the description of the Consumer Price Index described above, shall be used in making the annual Consumer Price Index rate adjustment. If the

Consumer Price Index is calculated from a base different from the base year 1982-84 = 100, the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Department of Labor. If the Consumer Price Index is no longer published or issued, the parties shall use such other index as is generally recognized and accepted for similar determinations of consumer purchasing power.

- B. Recycled water shall be provided at no cost to interim irrigation areas such as open space or pasture land upon mutual agreement between USER and DISTRICT, until such time as USER's planned facilities are constructed (golf course).
- C. DISTRICT shall read the recycled water meter(s) approximately monthly consistent with DISTRICT's normal meter reading schedule for billing purposes and shall bill USER or USER's tenants, for the total quantity of recycled water delivered during the billing period in accordance with DISTRICT's standard billing practices. USER may periodically review DISTRICT's meter readings if desired. USER or USER's tenants shall pay DISTRICT within 20 days of receipt of DISTRICT's bill.

12. PERMISSION TO ENTER

- A. USER agrees to allow DISTRICT and the regulatory agencies, acting through their duly authorized employees, agents, representatives, or contractors, reasonable access at reasonable times to enter the real property for the purposes of (i) observing construction or modification of recycled water facilities, (ii) reading recycled water meters and other testing or sampling, (iii) observing and verifying that USER is operating its recycled water facilities and is using the recycled water in a proper manner and in accordance with the recycled water use requirements of this Agreement and the requirements of the regulatory agencies, (iv) assisting USER in identifying modifications and/or changes required in USER's on-site facilities and providing signs, providing and installing recycled water meter(s) and construction of a distribution system to USER's property line, as stated in Section 9 and (v) reviewing modifications made pursuant to Section 10. Routine inspections will be conducted by DISTRICT. When entering USER's premises, DISTRICT or the regulatory agencies shall not interfere with USER's or USER's tenants' operations and use of the premises.
- B. DISTRICT shall allow USER to use the shutoff valve at the end of DISTRICT's distribution system adjacent to USER's property. USER shall notify DISTRICT as soon as possible of any shutoff, not to exceed twelve (12) hours from the time of the shutoff.

13. GENERAL CONDITIONS

- A. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and venue shall be in the state courts in the County of Santa Barbara.
- B. This Agreement contains all agreements of the parties with regard to the subject of this Agreement and cannot be enlarged, modified, or changed in any respect except by written agreement between the parties.

- C. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid, or illegal. The remaining provisions of this agreement shall be interpreted, enforced and applied so as to give reasonable effect to the material purposes for the agreement.
- D. The captions, titles, and headings in this Agreement shall have no effect on the interpretation of this Agreement of any part thereof.
- E. This Agreement shall be for the benefit of the real property affected and shall be binding on the heirs, successors, lessees, sublessees, assigns, and transferees of the parties.

14. **INDEMNIFICATION**

- A. DISTRICT shall indemnify, defend, and save USER and USER's agents, officers, employees, and contractors, harmless against any and all liability, loss, expense, including defense costs and legal fees, any workers' compensation suits, liability or expense, and claims for damages of any nature whatsoever arising from or connected with the DISTRICT's construction, ownership, operation, or maintenance of DISTRICT's own delivery facilities or other recycled-water-related activities, including quality of delivered recycled water, and any damage from the recycled water to soil or crops. DISTRICT shall not be liable for, and shall not indemnify USER for any liability, loss or expense arising from or related to, USER's negligence.
- B. USER shall indemnify, defend, and save DISTRICT and DISTRICT's agents, officers, employees, and contractors, harmless against any and all liability, loss, expense, including defense costs and legal fees any workers' compensation suits, liability or expense, and claims for damages of any nature whatsoever arising from or connected with USER's construction, ownership, operation, or maintenance of USER's own delivery facilities or USER's other recycled-water-related activities. USER shall not be liable for and shall not indemnify DISTRICT for any liability, loss or expense arising from or related to the quality of delivered recycled water or DISTRICT's negligence.

15. **TERMINATION**

- A. **For Breach of Agreement.** Should one party breach any material term or condition in this Agreement, written notice of such breach shall be given to the breaching party by the other party. If reasonable steps towards correcting the breaching conditions are not taken within five (5) days from such notice, the other party may, in additions to any remedies provided in this Agreement and by law, terminate this Agreement on ten (10) days written notice to the breaching party.
- B. **End of Term.** This Agreement terminates at the end of its term unless the parties agree to extend it.
- C. **By DISTRICT.** DISTRICT may terminate this Agreement upon two (2) hours written notice to USER if:

- (1) DISTRICT, at its sole determination, is, or will be, unable to deliver properly and adequately treated recycled water to USER for any reason whatsoever for a period greater than ten days, provided the reason for non-delivery is outside the reasonable control of DISTRICT.
 - (2) The RWQCB changes DISTRICT's discharge requirements for irrigation of Irrigation Areas to a more stringent level and DISTRICT cannot reasonably meet the new requirements.
 - (3) DISTRICT is ordered to cease delivery of recycled water to USER by a governmental authority having appropriate jurisdiction to do so.
- D. USER may terminate this entire Agreement on six (6) months' written notice to DISTRICT if USER elects to change the use of all Irrigation Areas to uses not compatible with recycled water use.
- E. USER may suspend this Agreement and refuse to accept delivery of recycled water without liability to DISTRICT on one (1) hour's notice and DISTRICT shall immediately cease delivery of recycled water, if (1) the quality of water delivered fails to meet the requirements of Paragraphs 4.B and 6.A of this Agreement, or (2) USER suspects water delivered pursuant to this Agreement to be causing damage to soil, or crops. Implicit in this right to suspend is USER's right to test the recycled water and USER's right to access to DISTRICT's tests.

If the parties are unable to agree within thirty (30) days that crop damage or soil damage has or has not occurred, the parties shall select an independent third party arbitrator, which could be a representative from an independent engineering firm experienced in the use of recycled water on soil and agricultural crops for determination of the dispute by non-binding arbitration. If the parties are unable to agree upon such an independent third party arbitrator, then the dispute shall be determined in a non-binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, including the selection of one or more arbitrators. During the period of non-binding arbitration, USER shall have no obligation to accept recycled water. Upon the final determination by the independent third party arbitrator that crop damage or soil damage has occurred, USER may terminate this Agreement and seek appropriate remedies, and both parties reserve all equitable and legal rights and remedies.

F. Responsibilities Following Termination.

- (1) DISTRICT shall be responsible for the restoration of potable water service to the Irrigation Areas at no cost to USER if either (i) DISTRICT terminates the agreement pursuant to Subsection 15, C, or (ii) USER has offered to extend the term of the Agreement on the same terms and conditions and DISTRICT has declined the offer, or (iii) USER terminates the Agreement due to a breach by DISTRICT, provided USER has complied with Section 15, A. If DISTRICT must restore potable water to the Landscaped Areas

pursuant to this paragraph, USER shall perform the work to effect such restoration and DISTRICT shall reimburse USER for the work.

- (2) USER shall be responsible for restoration of potable water service to the Irrigation Areas, at no cost to DISTRICT, if either (i) DISTRICT has offered to extend the term of this Agreement on the same terms and conditions and USER has declined the offer, or (ii) DISTRICT terminates the Agreement due to a breach by USER, provided DISTRICT has complied with Subsection 15, A. If USER must restore potable water service to the Irrigation Areas pursuant to this paragraph, DISTRICT shall perform all work needed within the public right of way to effect the restoration of potable water service to the Landscaped Areas, within DISTRICT's reasonable judgment, and USER shall reimburse DISTRICT for the work at DISTRICT's actual cost.
- (3) DISTRICT and USER agree to undertake their respective responsibilities under this Subsection 15, E in a timely manner in order to minimize the interruption of irrigation to the Irrigation Areas and the consequent damage to landscaping.

16. NOTICES

Any notices necessary to be given by either party to the other relative to this Agreement shall be in writing. Both parties agree that any such notice shall be effective when signed by the Public Works Director of the County of Santa Barbara, or the designee of said Director, and/or USER, as appropriate, and personally delivered or deposited, postage paid, in the U.S. Mail addressed as follows:

DISTRICT:
County of Santa Barbara
Laguna County Sanitation District
2400 Professional Parkway, Suite 150
Santa Maria, CA 93455

USER:
General Manager
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

Either party may change its address for future notices by notice given in accordance with this paragraph.

17. REPRESENTATION AND WARRANTY OF AUTHORITY

Each person executing this Agreement on behalf of an entity, whether a corporation, partnership, joint venture, association or otherwise, represents and warrants that he or she has authority to execute this agreement on behalf of said entity and that entity has entered into the appropriate resolution or authorization for granting such authority.

18. BINDING ON SUCCESSORS

This Agreement is an instrument affecting the title and possession of real property. All the terms, covenants, conditions and restrictions herein imposed shall be binding upon and inure to the benefit of the successors in interest of USER and shall run with the real

property and each part thereof. Upon any sale or division or lease of the real property, the terms of this Agreement shall apply separately to each parcel and the owner of each parcel shall succeed to and be bound by the obligations imposed on USER by this agreement.

19. RECORDATION

This Agreement will be recorded by DISTRICT, who shall provide USER with a conformed copy.

20. FUTURE USE OF POTABLE WATER ON THE IRRIGATION AREAS

USER's agreement to apply recycled water to the Irrigation Areas shall not adversely affect USER's ability to change the use of the property upon termination of this agreement. For the purpose of calculating the historical consumption of water on the real property, recycled water shall be considered to be potable water.

21. RESERVE /AGREEMENT TO ACCEPT SEWAGE

DISTRICT shall accept up to 100,000 gallons of sewage per day generated from new development on USER's property and DISTRICT shall reserve to USER treatment and discharge capacity up to 100,000 gallons per day to accommodate waste water flows associated with new development on USER's real property, such as within the Airport Operations Area (Airport Terminal expansion, new aviation and non-aviation related facilities, new aircraft storage facilities, etc.) as well as development outside the Airport Operations Area (proposed research park, golf course and other industrial and commercial development). The reserved 100,000 gallons per day treatment and disposal capacity shall be reduced by actual waste water flows generated by USER's new development until such time as USER informs DISTRICT that USER has fully developed and has no need for additional waste water service. Said development shall remain subject to development conditions, fees, and any other criteria that said development would ordinarily be subject to, including developer agreements and/or annexation requirements. In addition, said development shall be subject to DISTRICT's sewer service rates if USER's territory is annexed into DISTRICT's sewer service area.

///

///

///

///

///

///

///

IN WITNESS WHEREOF, DISTRICT and USER have executed this Agreement as of the date and year first written above.

DISTRICT:

COUNTY OF SANTA BARBARA
LAGUNA COUNTY SANITATION DISTRICT

By: Noomi Schwartz
Chair, Board of Directors

Date: January 21, 2003

USER:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: Paul Thorne
President

By: Hal Herish
Secretary

Date: 1-3-03

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: Wanda Oyala
Deputy

APPROVED AS TO CONTENT FOR
SANTA MARIA PUBLIC AIRPORT
DISTRICT

Gary T. Rice
General Manager

APPROVED AS TO FORM:
STEPHAN SHANE STARK
COUNTY COUNSEL

By: [Signature]
Deputy County Counsel

APPROVED AS TO FORM FOR SANTA
MARIA PUBLIC AIRPORT DISTRICT

[Signature]
Airport District Counsel

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: [Signature]
Deputy

APPROVED AS TO FORM:
JOHN FORNER
SUPERVISING RISK MANAGER

By: [Signature]
Risk Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Santa Barbara

SS.

On

Jan. 24, 2003

before me,

L. F. Carlson, Notary Public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Normi Schwartz

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence



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

WITNESS my hand and official seal.

[Signature]

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

INSTRUCTIONS

This Agreement will be recorded. Your signature(s) must be acknowledged by a notary. Inform the notary that the acknowledgement is for an instrument to be recorded. (California Civil Code Section 1169, et seq.)

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)
SANTA MARIA PUBLIC AIRPORT DISTRICT)

On January 3, 2003, before me, Christine C. Freitas, Notary Public, personally appeared Richard A. Hulme & Hal Perich personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Christine Carol Sheets
Notary's signature

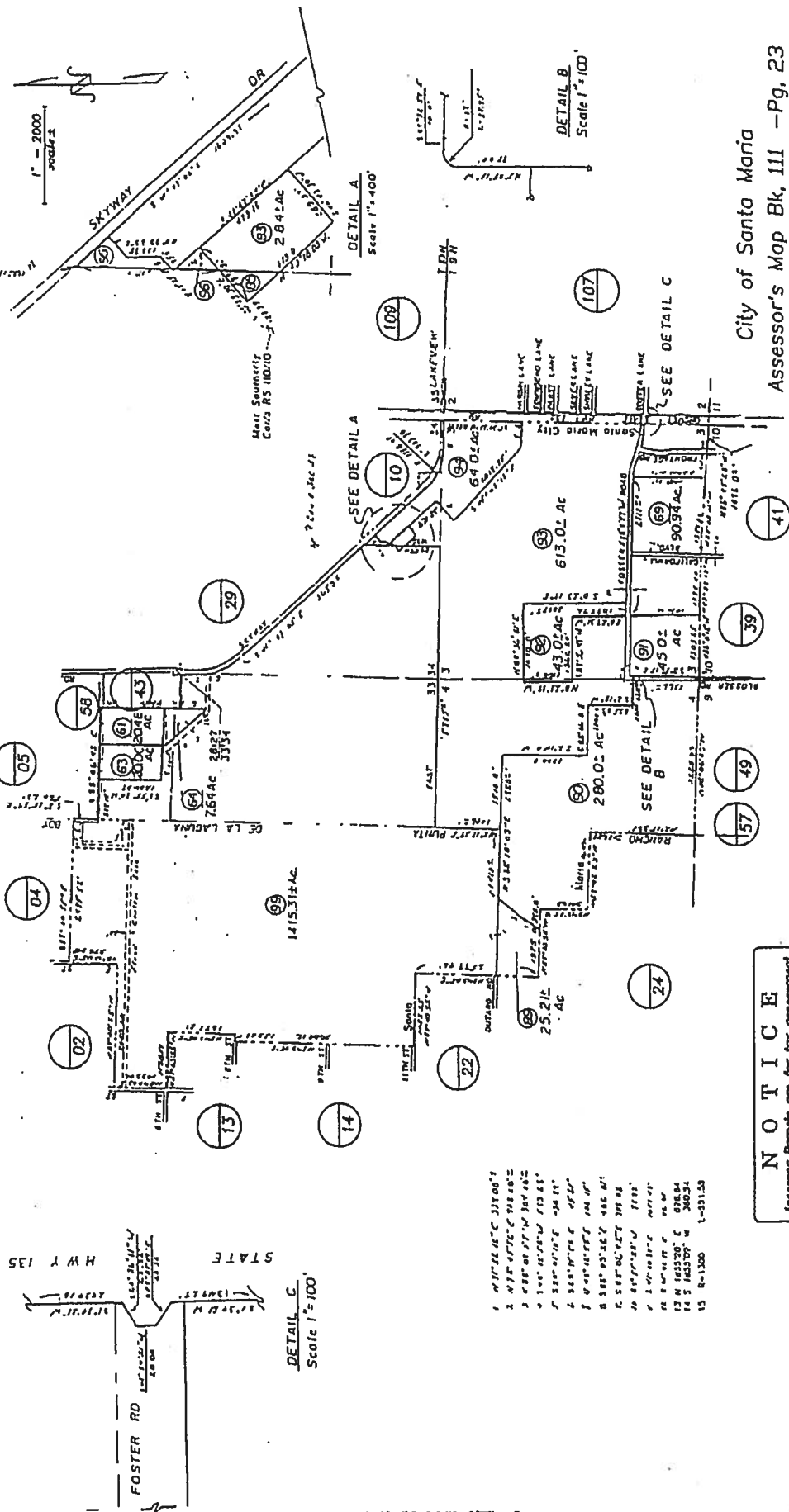
[SEAL]



POR. T9 & 10N R34W SBB&M & POR. RANCHO PUNTA DE LA LAGUNA

111-23

1" = 2000'



City of Santa Maria
Assessor's Map Bk. 111 -Pg. 23
County of Santa Barbara, Calif.

06/97 00 H&M 99 & 430-14

NOTICE
Assessor's Maps are for tax assessment purposes only and do not indicate either parcel legality or a valid building site.

1. 10° 12' 22" N 11° 10' 00" E 317.00'
2. 10° 12' 22" N 11° 10' 00" E 317.00'
3. 10° 12' 22" N 11° 10' 00" E 317.00'
4. 10° 12' 22" N 11° 10' 00" E 317.00'
5. 10° 12' 22" N 11° 10' 00" E 317.00'
6. 10° 12' 22" N 11° 10' 00" E 317.00'
7. 10° 12' 22" N 11° 10' 00" E 317.00'
8. 10° 12' 22" N 11° 10' 00" E 317.00'
9. 10° 12' 22" N 11° 10' 00" E 317.00'
10. 10° 12' 22" N 11° 10' 00" E 317.00'
11. 10° 12' 22" N 11° 10' 00" E 317.00'
12. 10° 12' 22" N 11° 10' 00" E 317.00'
13. 10° 12' 22" N 11° 10' 00" E 317.00'
14. 10° 12' 22" N 11° 10' 00" E 317.00'
15. 10° 12' 22" N 11° 10' 00" E 317.00'

EXHIBIT A

EXHIBIT B

LOCATIONS OF IRRIGATION AREAS

The location(s) of USER's application area(s), the aggregate of which shall be known as USER's Irrigation Areas, is (are) as follows:

1. EXISTING LOCATIONS OF IRRIGATION AREAS

Application Area Name	Approximate Irrigation Area	Approximate Use
West Side Agricultural	484 Acres	1.3mgd (3.98 afd)
Sunset Ridge Golf Course	26 Acres	0.140 mgd (0.44 afd)
TOTAL	510 Acres	1.44 mgd

TOTAL

2. POSSIBLE INTERIM IRRIGATION AREAS

Interim Grazing Irrigation	300 Acres	1.17 mgd (3.59 afd)
----------------------------	-----------	---------------------

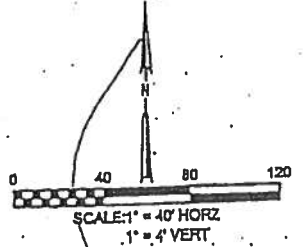
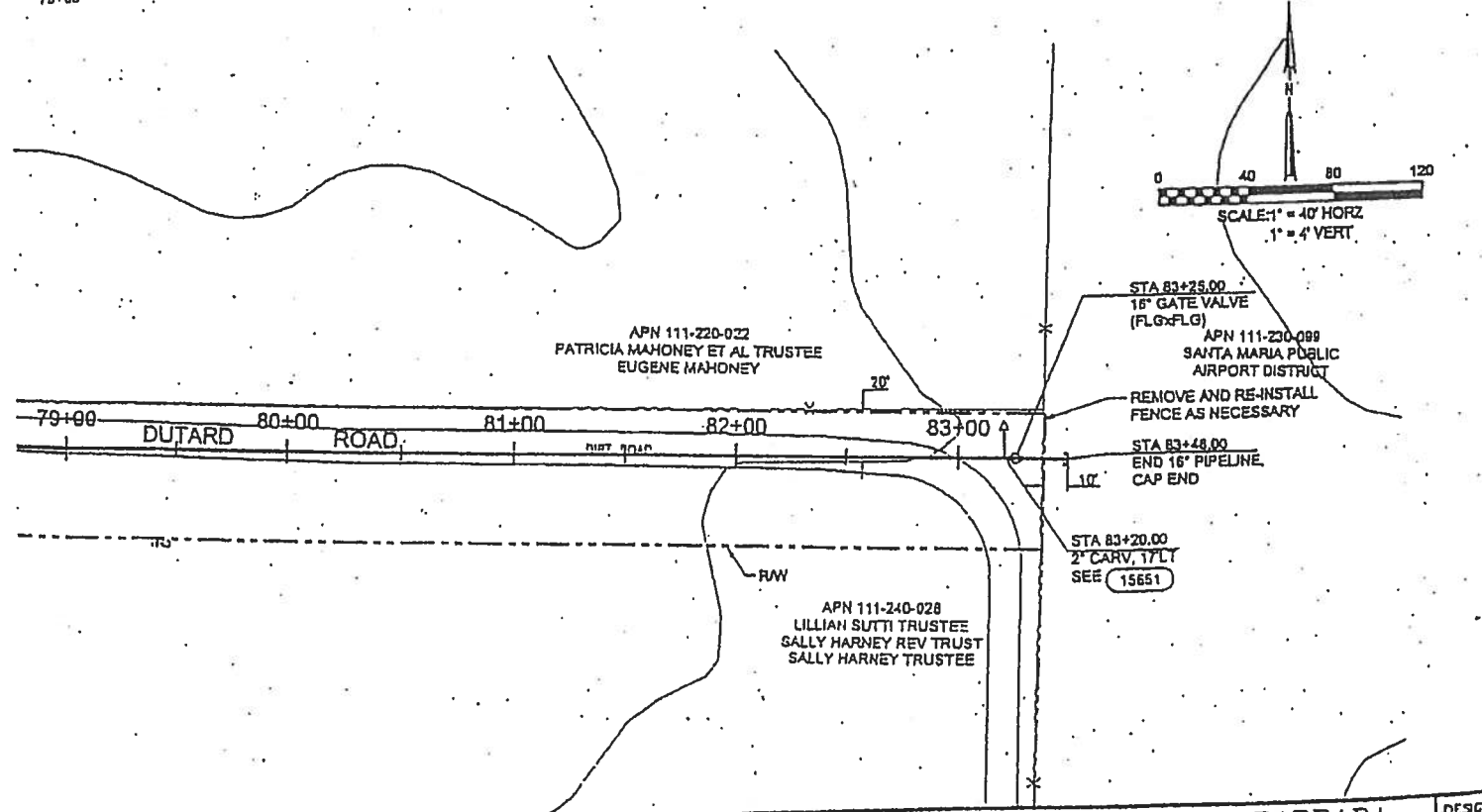
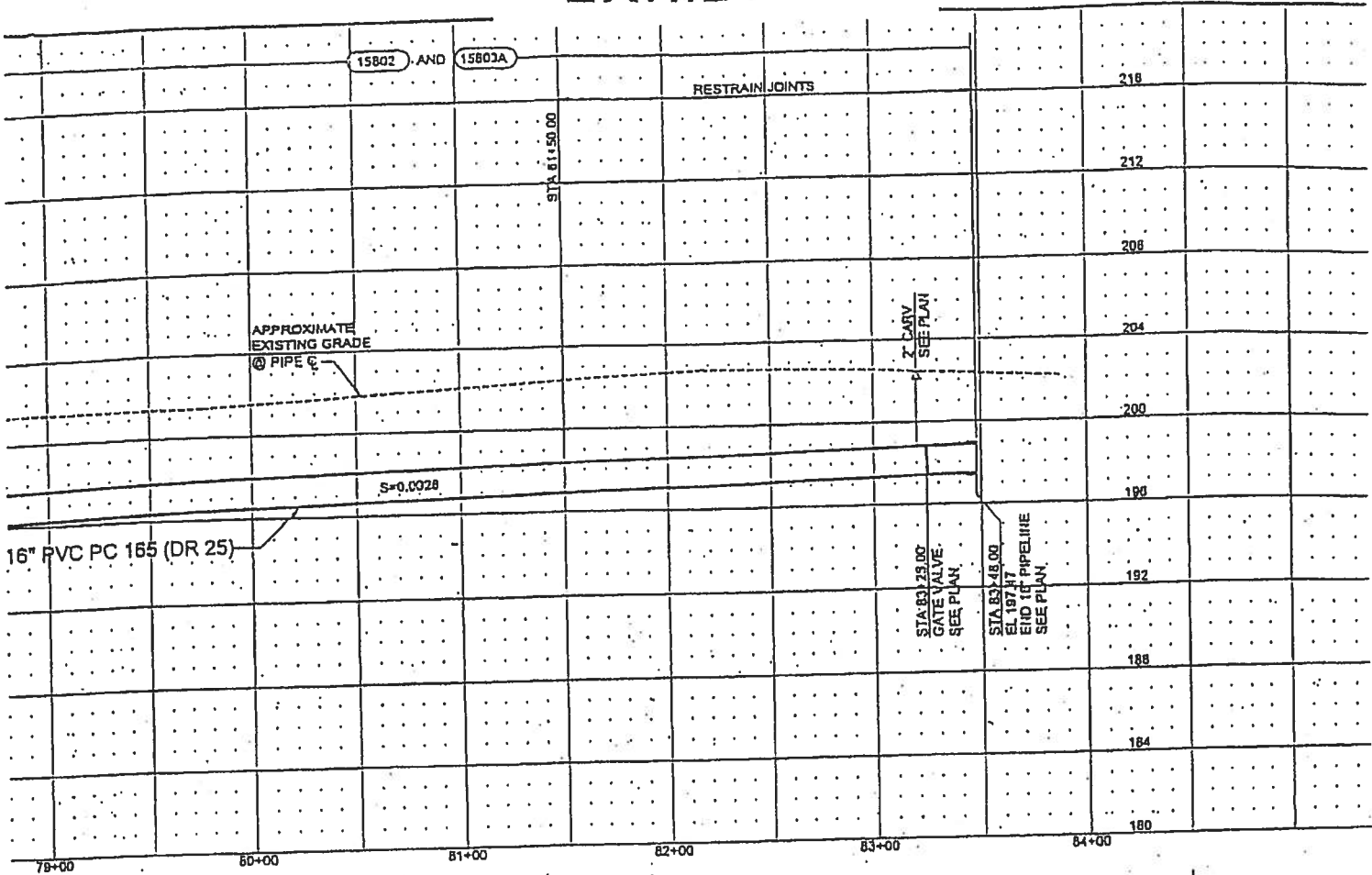
3. FUTURE LOCATIONS OF APPLICATION AREAS

Application Area Name	Irrigation Area Street Address	Approximate Area (Acres)
18+ hole golf course		260
Research Park lots		49
Research Park medians		4
Research Park parkways		6
Additional Agricultural West		15
Agricultural East		118
TOTAL		452

EXHIBIT C

Map of vicinity showing laguna line to SMPAD's property line.

EXHIBIT C



PROJECT ENGINEER: <i>[Signature]</i>		DATE 7/10/01		COUNTY OF SANTA BARBARA DEPARTMENT OF PUBLIC WORKS LAGUNA COUNTY SANITATION DISTRICT		DESG
DATE 11/14/17				FOR REDUCED PLANS ORIGINAL SCALE IN INCHES		DRAW

EXHIBIT D

SANTA BARBARA COUNTY LAGUNA COUNTY SANITATION DISTRICT MONITORING PROGRAM

CONSTITUENTS —	AT PLANT		SOIL MONITORING Test and Control
	Recycled Water	Pond C	Depth 1" – 12" 13" – 24" 25" – 36" (Up to 6 Sites)
Metals (Al, As, Ba, Be, Cd, Cr, Co, Cu, Fluoride, Fe, Pb, Mn, Hg, Mo, Ni, Se, Ag, Zn)	Annually	--	--
Organics (Toxics – Phenols, Organochlorine Pesticides and PCBs)	Annually	--	--
Agronomic (B, Ca, Mg, K, Na, SO ₄ , Alkalinity, Cl, SAR, ASAR, HCO ₃ , CO ₃ , Hardness, NO ₃ , NO ₂ , NH ₃ , T.PO ₄)	Bi-Weekly *	--	--
Salinity (Na, Mg, Ca, Cl, SAR, ESP, NO ₃ , NH ₃)	Weekly *	--	3/yr *
TDS (Total dissolved solids)	Weekly *	Weekly *	--
EC (Electrical conductivity)	Daily *	Weekly *	--
PH	Daily	Daily *	--
SS (Suspended solids)	Every 6 Days	Daily *	--
Turbidity	Continuous	Daily **	--
Settleable solids	Daily	Weekly **	--
TOC (Total organic carbon)	Weekly **	--	--
BOD ₅	Every 6 Days	--	--
Total coliform	Daily	Daily **	--
Fecal coliform	Daily **	Daily**	--
Parasites (Cyclospora, Helminth (Ascaris), E.Coli 0157H7, Legionella, Shigella, Giardia, Cryptosporidium, Salmonella) and viruses	--	3/Yr	--
Chlorophyll	Weekly *	Weekly *	--
Clostridium perfringens	Bi-Weekly **	Bi-Weekly **	--

Red – Regulatory Requirement

* Green – Irrigation Suitability

** Blue – Food Safety

EXHIBIT E

SPECIAL RECYCLED WATER USE REQUIREMENTS

The discharge of recycled water to surface waters or surface water drainage courses, either by direct discharge or runoff from the Irrigation Areas is prohibited. Any irrigation runoff shall be confined to the Irrigation Area unless the runoff does not pose a public health threat and is authorized by the regulatory agency.

Signs shall be provided to inform the public that recycled water is being used.

Public contact with recycled water must be minimized.

Recycled water piping, controllers, valves, etc., shall be marked to differentiate the recycled water facilities from the potable water facilities.

Recycled water valves, outlets, quick couplers, and sprinklers shall be of a type, or secured in a manner, that permits operation only by USER's authorized personnel.

Use or installation of hose bibs on the recycled water system shall not be permitted.

In accordance with DHS requirements, new construction shall comply with the following: there shall be at least a ten (10)-foot horizontal and one (1)-foot vertical separation between all pipelines transporting recycled water and those transporting potable water, with the potable water pipeline above the recycled water pipeline. Separation standards for dual plumbed agricultural and recycled water supplies shall be per engineering practice. Common agricultural and recycled water systems shall be permitted provided proper labeling is indicating that water in the system is not potable.

An air-gap separation or reduced-pressure-principle backflow prevention devices shall be provided at all agricultural water service connections to recycled water systems. There shall be no connection between potable water supply and recycled water piping. Supplementing recycled water with agricultural source water shall not be allowed except through an air-gap separation or with the use of reduced-pressure-principle backflow prevention devices.

Drinking water facilities shall be protected from recycled water spray.

No irrigation with disinfected tertiary recycled water shall take place within fifty (50) feet of any water supply well unless all of the following conditions are met: (a) a geological investigation demonstrates that an aquitard exists at the well between the uppermost aquifer being drawn from and the ground surface, (b) the well contains an annular seal that extends from the surface into the aquitard, (c) the well is housed to prevent any recycled water spray from coming in contact with the wellhead facilities, (d) the ground surface immediately around the wellhead is contoured to allow surface water to drain away from the well, and (e) the well owner approves of the elimination of the buffer zone requirement.

There shall be no tertiary disinfected recycled water impoundment within one hundred (100) feet of any water supply well.

Adequate measures shall be taken to minimize ponding and runoff and to prevent the breeding of vectors of public health significance.

Inspection, supervision, and employee training shall be provided by USER to assure safe and proper operation of the recycled water system. Records of inspection and training shall be maintained by USER.

t:\smpad\RecycledWaterAgrRed

FIRST AMENDMENT TO AGREEMENT TO USE RECYCLED WATER

Re: Agreement to Use Recycled Water ("Agreement") dated January 21, 2003, between LAGUNA COUNTY SANITATION DISTRICT, a county sanitation district ("DISTRICT") and SANTA MARIA PUBLIC AIRPORT DISTRICT, a California public airport district ("USER") covering land at the Santa Maria Public Airport

The undersigned, LAGUNA COUNTY SANITATION DISTRICT and the SANTA MARIA PUBLIC AIRPORT DISTRICT do hereby agree to amend the above-referenced Agreement to Use Recycled Water, effective as of the last date written below.

1. Paragraph 1, TERM, is amended to extend the expiration date of the Agreement from December 31, 2022 to December 31, 2025.

2. Paragraph 11, PRICE OF RECYCLED WATER, subparagraph A only, is amended to read as follows:

"11.a. Due to technical difficulties beyond the control of DISTRICT or USER, DISTRICT has been unable to timely deliver recycled water meeting the requirements of the Agreement to USER, which has impacted USER's ability to pay the contracted rate. Also, due to higher than estimated daily maximum irrigation needs of USER's agricultural tenant, USER must obtain a supplemental water supply to augment recycled water, as well as a backup supply when recycled water is not available. If DISTRICT is able to deliver recycled water to USER prior to July 31, 2005, USER will accept recycled water, but at no charge to USER. Effective August 1, 2005, through June 30, 2008, USER will accept recycled water and, contingent upon USER having a backup and supplemental agricultural water supply operational and economically feasible, shall pay DISTRICT for recycled water at the rate that USER's agricultural tenant currently pays for ground water of \$76.73 per million gallons/\$25 per acre foot). USER shall not be obligated to pay for recycled water until it has a backup and supplemental agricultural water supply operational and economically feasible. USER shall use its best efforts to have a backup and supplemental water source operational and economically feasible by August 1, 2005. By maintaining the same water cost, USER will not need to reduce the rent, thereby allowing USER to recoup a significant portion of its capital costs, incurred in construction of its recycled water system, during the first three (3) years of the Agreement. Effective July 1, 2008 through June 30, 2009, USER shall pay DISTRICT for recycled water at a rate of \$115.09 per million gallons (\$37.50 per acre foot) (one-half of the difference of the agricultural tenant rate and \$50 per acre foot) to allow USER to recoup the balance of its capital costs in year four. Effective July 1, 2009, USER shall pay DISTRICT for recycled water at a rate of \$153.45 per million gallons (\$50 per acre foot).

"The price of \$50 per acre foot is thereafter subject to annual increases effective July 1, 2010, and July 1 of each succeeding year of the Agreement, based on the Consumer Price Index (defined below) not to exceed two percent (2%) per year. The "Consumer Price Index" means the Consumer Price Index, All Items, 1982-84 = 100, Los Angeles-Anaheim-Riverside, For All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics, or its successor in

EXHIBIT "C"

function. If this Consumer Price Index is changed or modified, the Consumer Price Index issued or published by the United States of Labor most nearly answering the description of the Consumer Price Index described above, shall be used in making the annual Consumer Price Index rate adjustment. If the Consumer Price Index is calculated from a base different from the base year 1982-84 = 100, the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Department of Labor. If the Consumer Price Index is no longer published or issued, the parties shall use such other index as is generally recognized and accepted for similar determinations of consumer purchasing power."

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

DISTRICT:

COUNTY OF SANTA BARBARA
LAGUNA COUNTY SANITATION DISTRICT

By: [Signature]
Chair, Board of Directors

Date: DEC. 14, 2004

ATTEST:

Michael F. Brown, Clerk of the Board

By: [Signature]
Deputy

APPROVED AS TO FORM:

Stephan Shane Stark, County Counsel

By: [Signature]
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

Robert W. Geis, CPA, Auditor/Controller

By: [Signature]
Deputy

APPROVED AS TO FORM:

[Signature]
Risk Manager

USER:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: [Signature]
President

By: [Signature]
Secretary

Date: 11-9-04, 2004

APPROVED AS TO CONTENT:

[Signature]
General Manager

APPROVED AS TO FORM:

[Signature]
Airport District Counsel

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

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

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

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

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

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

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

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

(viii) without limitation radon gas.

B. ENVIRONMENTAL REQUIREMENTS

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

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

C. ENVIRONMENTAL DAMAGES

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

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

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

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

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

EXHIBIT "E"

RIDER

Rider to the Land Lease dated March 11, 2021, herein called "Lease") between Santa Maria Public Airport District (herein called "District") and Gresser, Inc. A California Corporation (herein called "Tenant").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit “F”

Approved Improvements for Rent Credit

Irrigation – Addition line brought to site for backup supply	\$ 235,000
Fence – 6’ with 3 strand barbed wire	\$ 225,000
Safety/Grading Drainage/Basins	\$ 300,000
Demo – Asphalt and Oiled Roadways/Concrete Pads	\$ 445,000
New Well Installation	\$ 185,000
	\$ 1,390,000

SANTA MARIA PUBLIC AIRPORT DISTRICT

SANTA BARBARA COUNTY, CALIFORNIA

INFIELD FARMING OPERATIONS

JANUARY, 2021

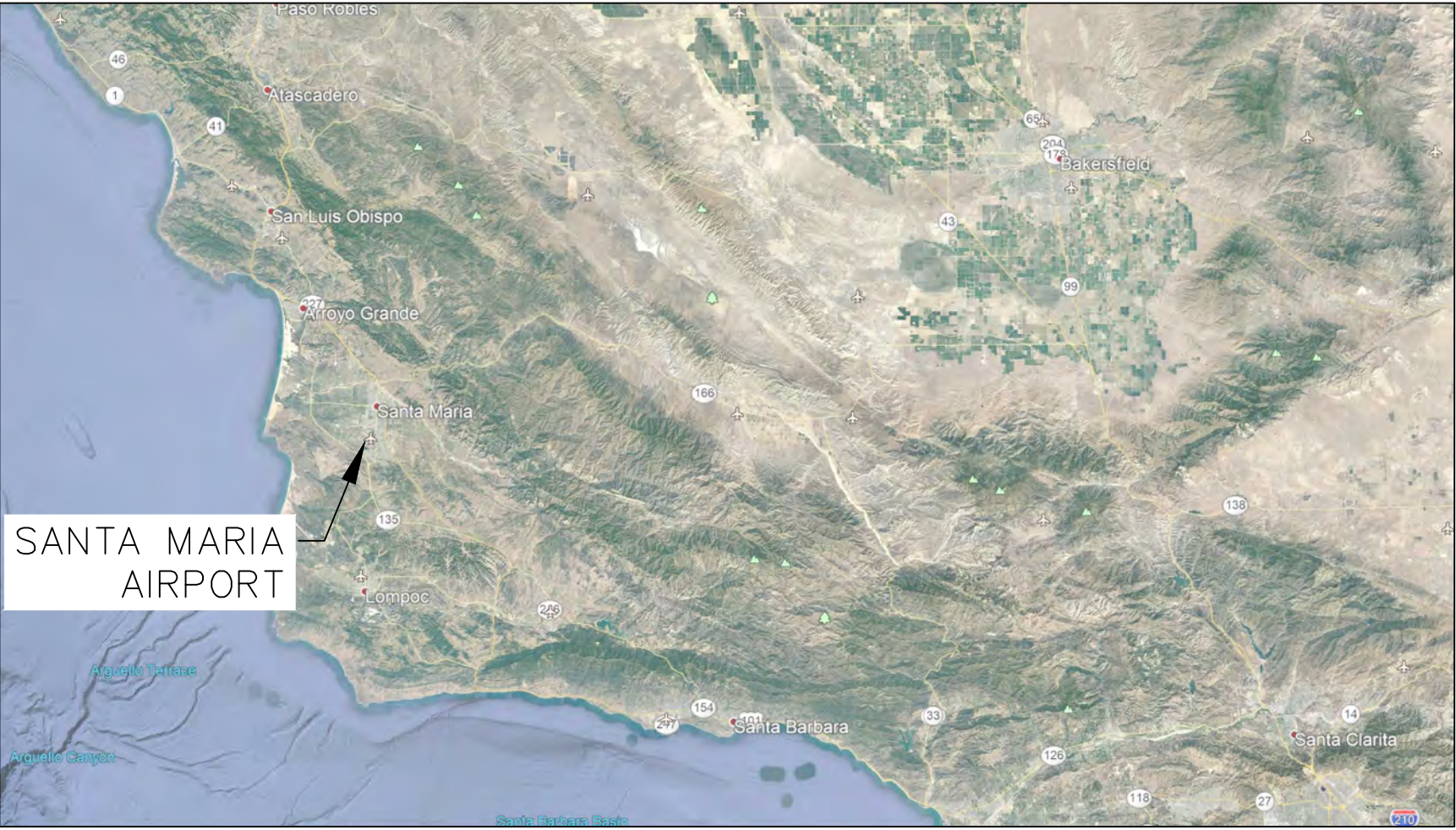
GENERAL CONSTRUCTION ELEMENTS

1. CLEAR, GRUB, AND PREPARE AIRPORT PERIMETER FENCE AND SERVICE ROAD ALIGNMENT.
2. CONSTRUCT AND INSTALL FENCE AND SERVICE ROAD.
3. CONSTRUCT AND INSTALL STORM DRAINAGE IMPROVEMENTS INCLUDING STORM DRAIN PIPES, DRAINAGE STRUCTURES, AND STORM WATER DETENTION BASINS.
4. GRADE FARMING AREAS IN GENERAL CONFORMANCE WITH THE PLANS, ASSURING THE THREE INDIVIDUAL, SUB-WATERSHED AREAS DRAIN TO THEIR RESPECTIVE DETENTION BASIN.

GENERAL NOTES

1. THE SANTA MARIA AIRPORT WILL REMAIN OPEN AT ALL TIMES DURING CONSTRUCTION.
2. AS PRESENTED, ALL WORK (FARMING, DETENTION BASINS, FENCING, AIRPORT PERIMETER INSPECTION ROAD) ARE ALL OUTSIDE THE RUNWAY OBJECT FREE AREA (ROFA) FOR BOTH RUNWAY 2-20 AND RUNWAY 12-30.
3. CONTRACTOR FORCES TO REMAIN OUTSIDE THE ROFA UNLESS THE RUNWAY IS CLOSED.
4. THE AIRPORT SHALL BE PROVIDED WITH THE NAMES AND 24-HOUR CONTACT PHONE NUMBERS FOR AT LEAST TWO (2) PERSONS IN CHARGE OF, OR RESPONSIBLE FOR THE WORK, WHO CAN BE REACHED FOR EMERGENCY WORK TWENTY-FOUR (24) HOURS A DAY, SEVEN (7) DAYS A WEEK.
5. THE CONTRACTOR IS RESPONSIBLE FOR DUST CONTROL AND SOIL TRACKING DURING THE WORK PERIOD. THE RESPONSIBILITY CONTINUES OVER WEEKENDS, HOLIDAYS, AND EXTENDED NON-WORK PERIODS. HE SHALL IMPLEMENT SUCH STANDARD DEVICES AND PRACTICES AS NECESSARY TO ADDRESS THESE ISSUES.
6. THE CONTRACTOR SHALL PERFORM A USA CALL (811) A MINIMUM OF 48- HOURS IN ADVANCE OF STARTING EARTHWORK, GRADING, OR TRENCHING ON THE PROJECT. HE SHALL POT-HOLE ALL IDENTIFIED UNDERGROUND UTILITIES, PIPES, CONDUITS, ETC., TO HIS SATISFACTION, SO-AS TO AVOID DAMAGE DURING CONSTRUCTION.
7. IN THE EVENT OF IMPACT OR DAMAGE TO EXISTING FACILITIES, THE CONTRACTOR HAS AN OBLIGATION FOR IMMEDIATELY ADDRESSING THE SITUATION, PRESERVING LIFE-SAFETY FIRST AND FOREMOST, NOTIFYING THE FACILITY / UTILITY OWNER OF THE SITUATION, AND SETTING ABOUT TO RESTORE THE FACILITY TO PRE-DAMAGE OR IMPACT CONDITIONS, TO THE SATISFACTION OF THE OWNER.
8. ANY VEHICLES OR EQUIPMENT OVER 14-FEET IN HEIGHT SHALL BE EQUIPPED WITH AN AMBER ROTATING BEACON OR AN FAA STANDARD, ORANGE AND WHITE CHECKERED SAFETY / HIGH VISIBILITY FLAG, AT THE HIGHEST POINT OF THE EQUIPMENT.
9. UNTIL SUCH TIME THAT THE PERIMETER FENCE AND AIRPORT PERIMETER ACCESS / INSPECTION ROAD IS COMPLETE AND ACCEPTED BY THE AIRPORT, THE CONTRACTOR IS WORKING WITHIN THE AIRPORT PROPER. HE IS RESPONSIBLE FOR HIS FORCES AND ALL SUB-CONTRACTORS UNDER HIS CHARGE. THERE SHALL BE A DESIGNATED, BADGED ESCORT, CAPABLE OF GUIDING AND CONTROLLING ALL WORK, MEN, AND EQUIPMENT. FAILURE TO MAINTAIN A SAFE, SECURED WORKING ENVIRONMENT MAY RESULT IN IMMEDIATE, PERMANENT REMOVAL FROM AIRPORT PROPERTY OF THE VIOLATING INDIVIDUAL AND THE DESIGNATED ESCORT.

SHEET INDEX		
Sheet Number	Sheet Title	SHEET SUBTITLE
1	COVER	COVER
2	PLP	FARMING AREA
3	GRADING NORTH	NORTH SIDE
4	GRADING SOUTH	SOUTH SIDE
5	DETAILS (1)	FENCING AND BASINS
6	DETAILS (2)	BASIN OUTLET STRUCTURE
7	DETAILS (3)	SERVICE ROAD

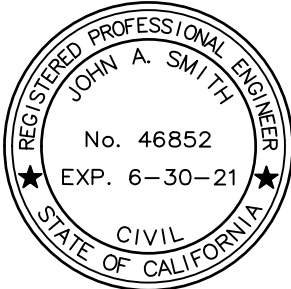


VICINITY MAP
NO SCALE




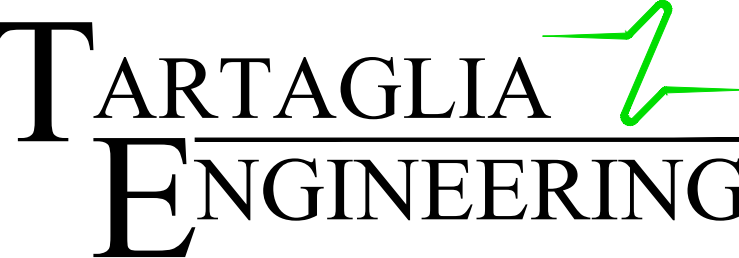
LOCATION MAP
NO SCALE

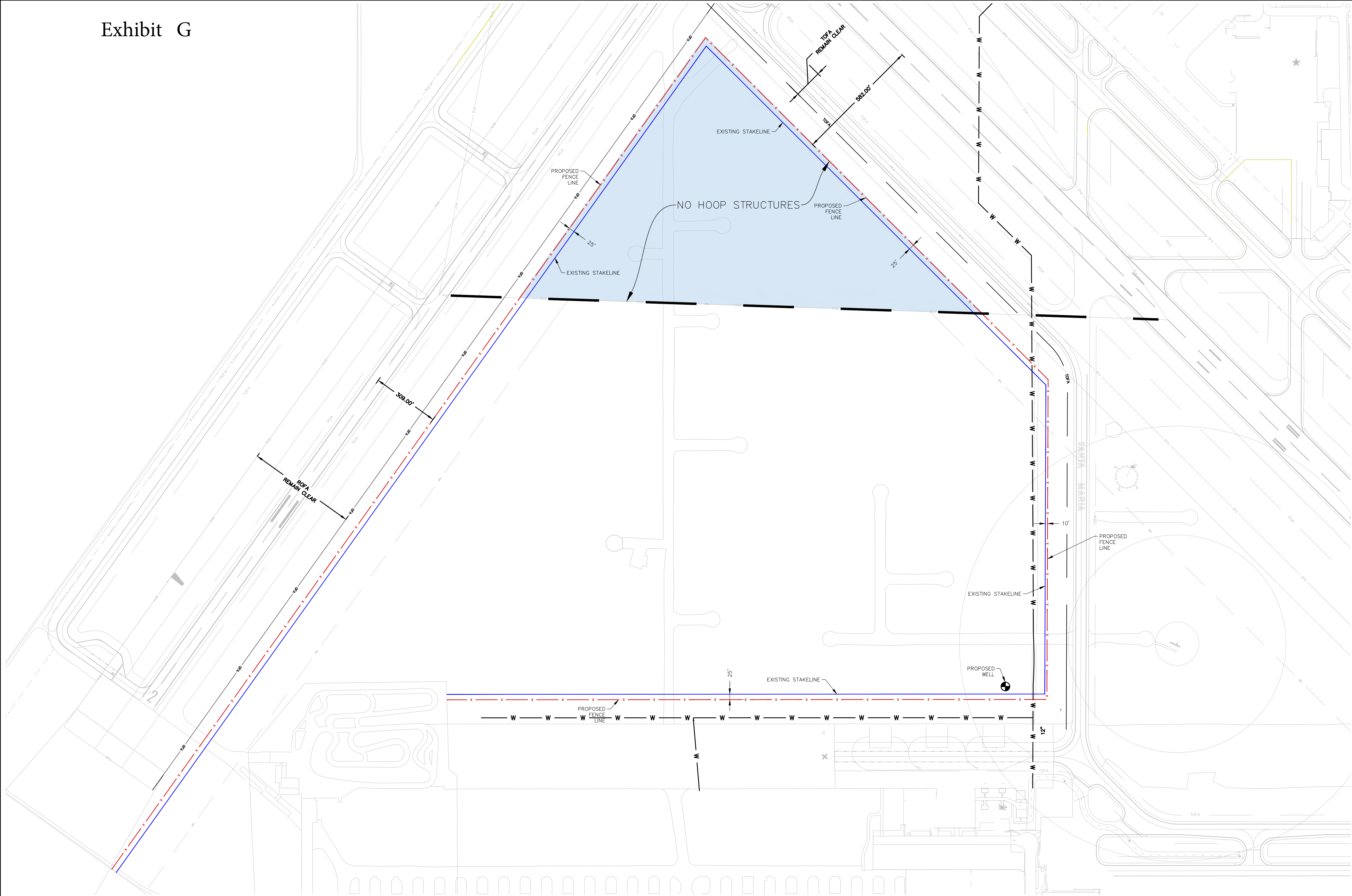
SUBMITTED _____ DATE _____
JOHN A. SMITH PROJECT ENGINEER RCE 46852

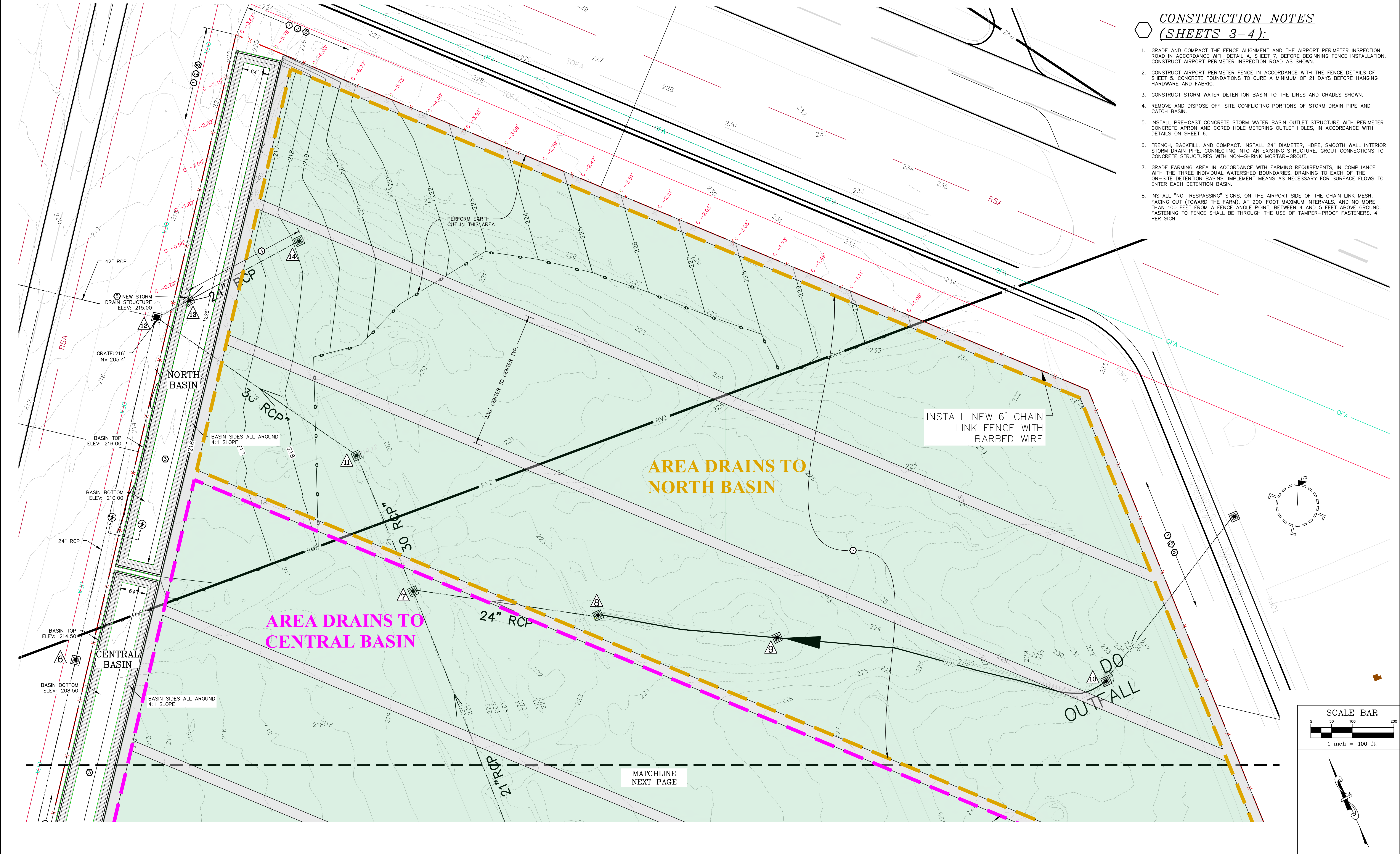


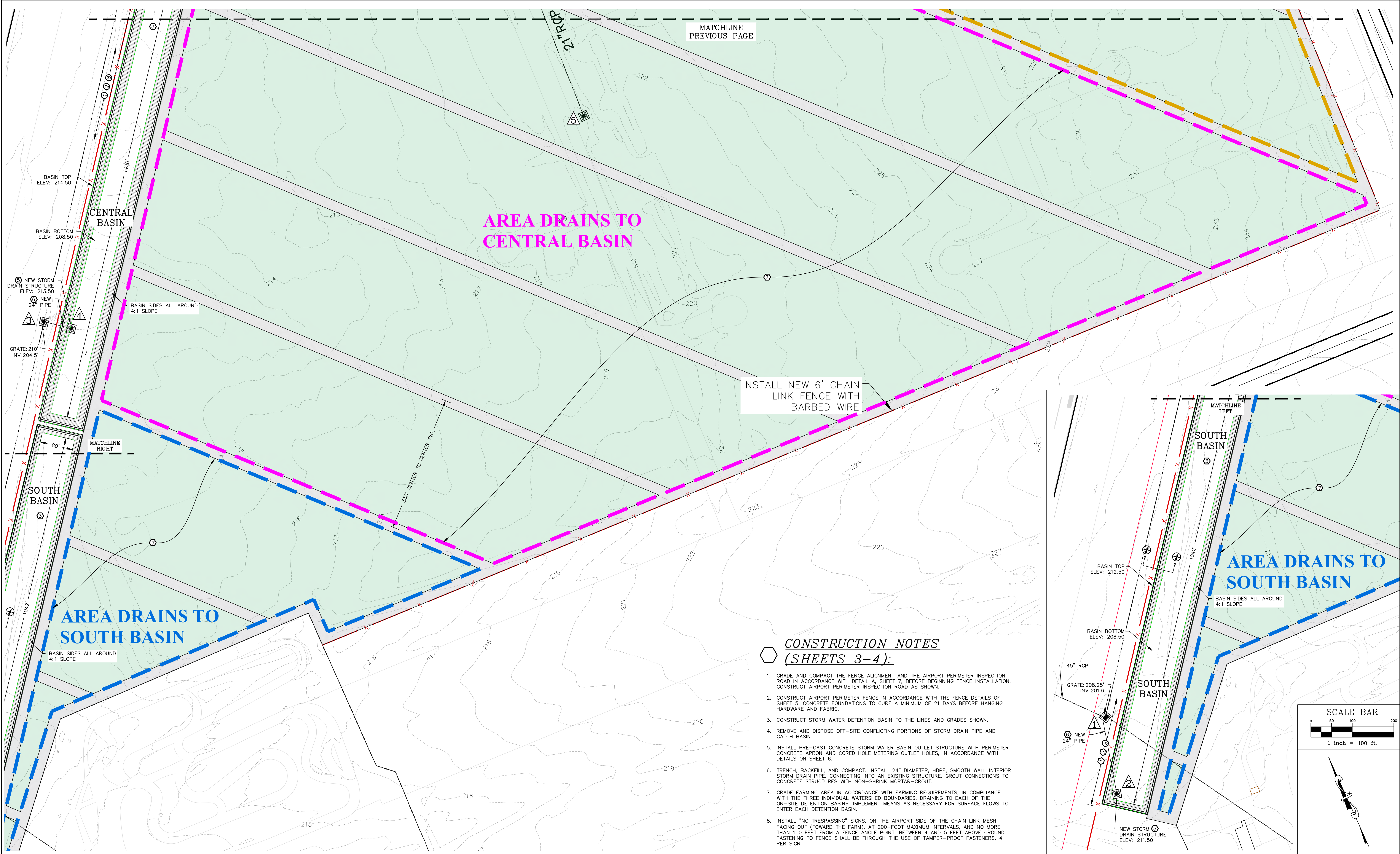
REV.	DESCRIPTION	DATE	APP.

UNDERGROUND SERVICE ALERT	
 DIAL 811 TWO WORKING DAYS BEFORE YOU DIG	
1	SHEET

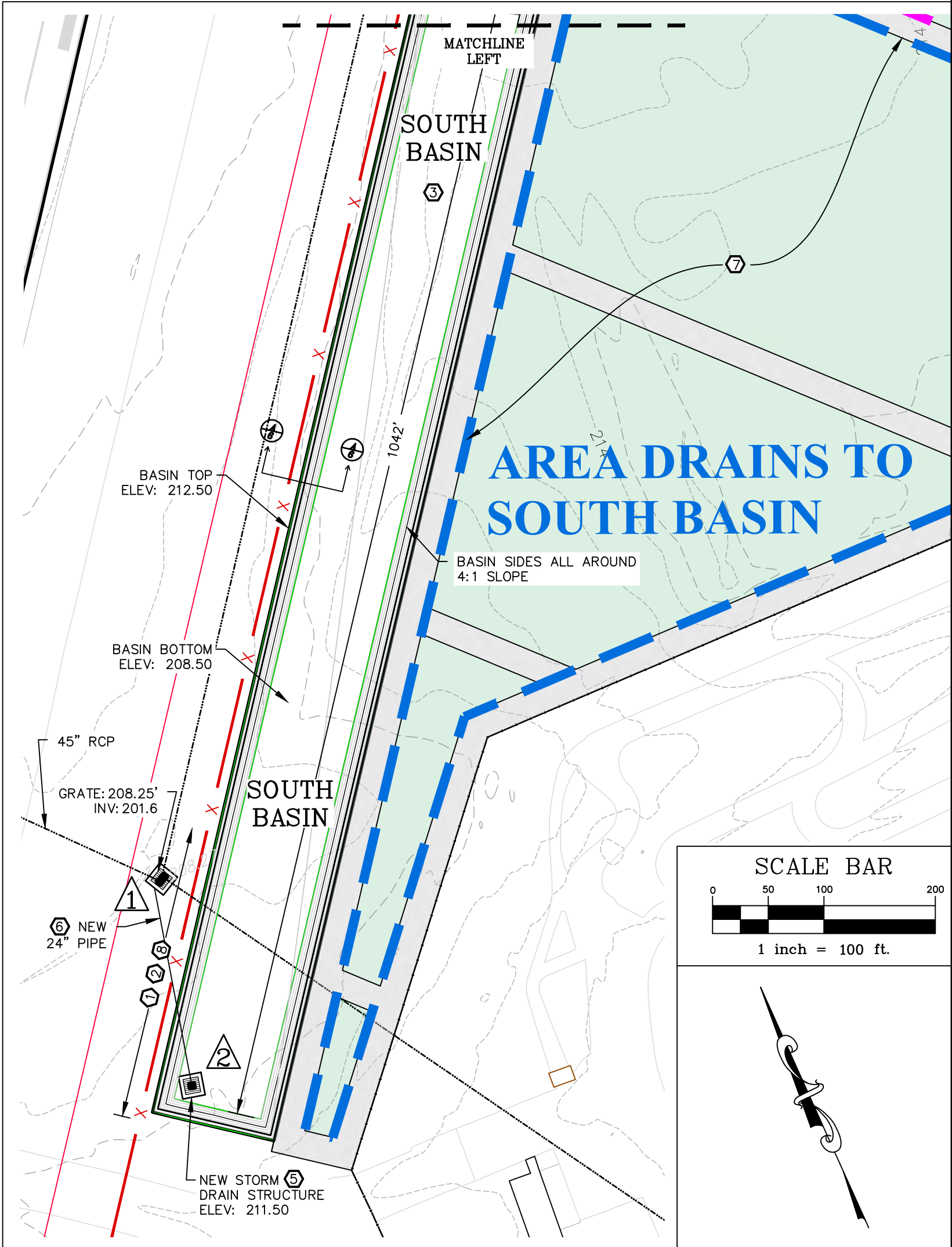
	
20-87	DRAWING NO.

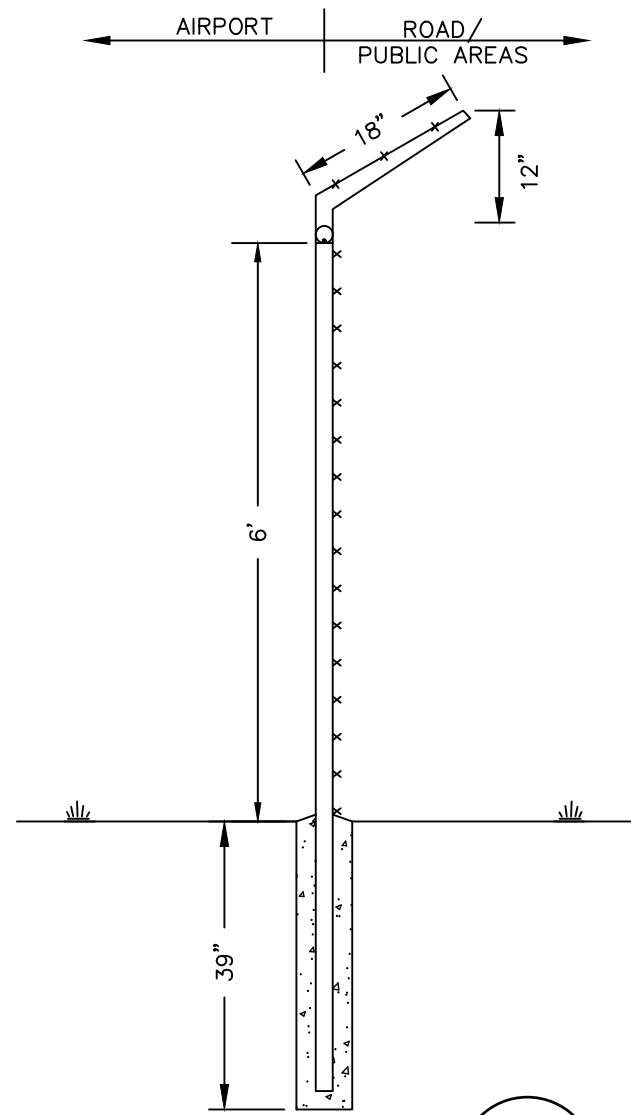






- CONSTRUCTION NOTES (SHEETS 3-4):**
1. GRADE AND COMPACT THE FENCE ALIGNMENT AND THE AIRPORT PERIMETER INSPECTION ROAD IN ACCORDANCE WITH DETAIL A, SHEET 7, BEFORE BEGINNING FENCE INSTALLATION. CONSTRUCT AIRPORT PERIMETER INSPECTION ROAD AS SHOWN.
 2. CONSTRUCT AIRPORT PERIMETER FENCE IN ACCORDANCE WITH THE FENCE DETAILS OF SHEET 5. CONCRETE FOUNDATIONS TO CURE A MINIMUM OF 21 DAYS BEFORE HANGING HARDWARE AND FABRIC.
 3. CONSTRUCT STORM WATER DETENTION BASIN TO THE LINES AND GRADES SHOWN.
 4. REMOVE AND DISPOSE OFF-SITE CONFLICTING PORTIONS OF STORM DRAIN PIPE AND CATCH BASIN.
 5. INSTALL PRE-CAST CONCRETE STORM WATER BASIN OUTLET STRUCTURE WITH PERIMETER CONCRETE APRON AND CORED HOLE METERING OUTLET HOLES, IN ACCORDANCE WITH DETAILS ON SHEET 6.
 6. TRENCH, BACKFILL, AND COMPACT. INSTALL 24" DIAMETER, HDPE, SMOOTH WALL INTERIOR STORM DRAIN PIPE, CONNECTING INTO AN EXISTING STRUCTURE. GROUT CONNECTIONS TO CONCRETE STRUCTURES WITH NON-SHRINK MORTAR-GROUT.
 7. GRADE FARMING AREA IN ACCORDANCE WITH FARMING REQUIREMENTS, IN COMPLIANCE WITH THE THREE INDIVIDUAL WATERSHED BOUNDARIES, DRAINING TO EACH OF THE ON-SITE DETENTION BASINS. IMPLEMENT MEANS AS NECESSARY FOR SURFACE FLOWS TO ENTER EACH DETENTION BASIN.
 8. INSTALL "NO TRESPASSING" SIGNS, ON THE AIRPORT SIDE OF THE CHAIN LINK MESH, FACING OUT (TOWARD THE FARM), AT 200-FOOT MAXIMUM INTERVALS, AND NO MORE THAN 100 FEET FROM A FENCE ANGLE POINT, BETWEEN 4 AND 5 FEET ABOVE GROUND. FASTENING TO FENCE SHALL BE THROUGH THE USE OF TAMPER-PROOF FASTENERS, 4 PER SIGN.

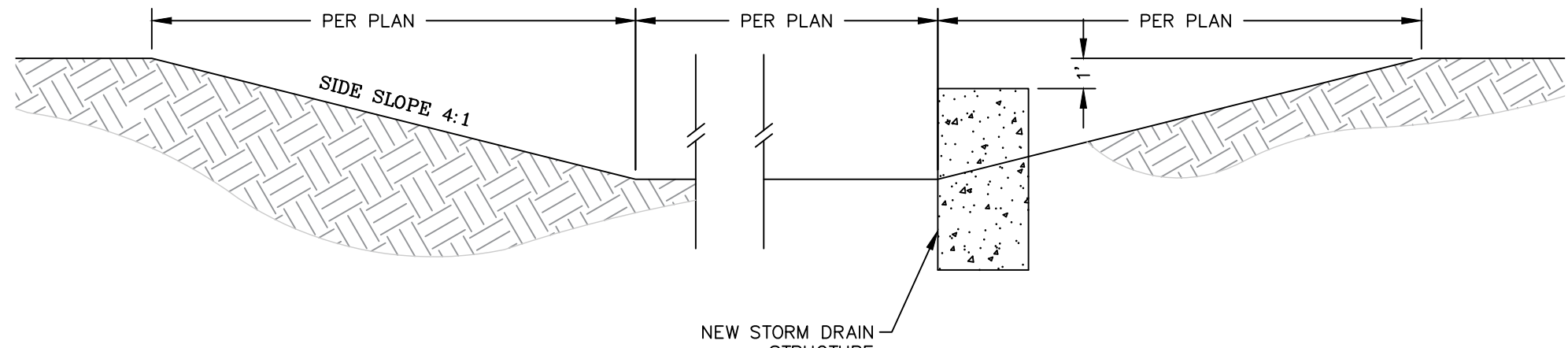




FENCE MATERIALS		
ITEM	DIMENSIONS	MATERIAL
LINE POST	2.375" O.D.	GALVANIZED STEEL
CORNER POST	2.875" O.D.	GALVANIZED STEEL
END POST	2.875" O.D.	GALVANIZED STEEL
GATE POST	6.625" O.D.	GALVANIZED STEEL
TOP RAIL	1.66" O.D.	GALVANIZED STEEL
BRACE RAIL	1.66" O.D.	GALVANIZED STEEL
BOTTOM TENSION WIRE	7 GAUGE	MARCELLED STEEL WITH SAME COATING
TRUSS ROD	1" DIA.	AS FABRIC
FABRIC	9 GAUGE, 2" OPENINGS	GALVANIZED STEEL WIRE
LINE POST FOUNDATION	3.25' MIN. DEPTH, 12" MIN. WIDTH	P-610 CONCRETE, MINIMUM COMPRESSIVE STRENGTH OF 2,500 PSI AT 28 DAYS
CORNER POST FOUNDATION	3.25' MIN. DEPTH, 18" MIN. WIDTH	P-610 CONCRETE, MINIMUM COMPRESSIVE STRENGTH OF 2,500 PSI AT 28 DAYS
END/GATE POST FOUNDATION	3.25' MIN. DEPTH, 18" MIN. WIDTH	P-610 CONCRETE, MINIMUM COMPRESSIVE STRENGTH OF 2,500 PSI AT 28 DAYS
GROUND ROD	1/2" DIA., 8' LENGTH	COPPER CLAD
BARBED WIRE	12 1/2 GAUGE, 5" SPACING	GALVANIZED STEEL WIRE

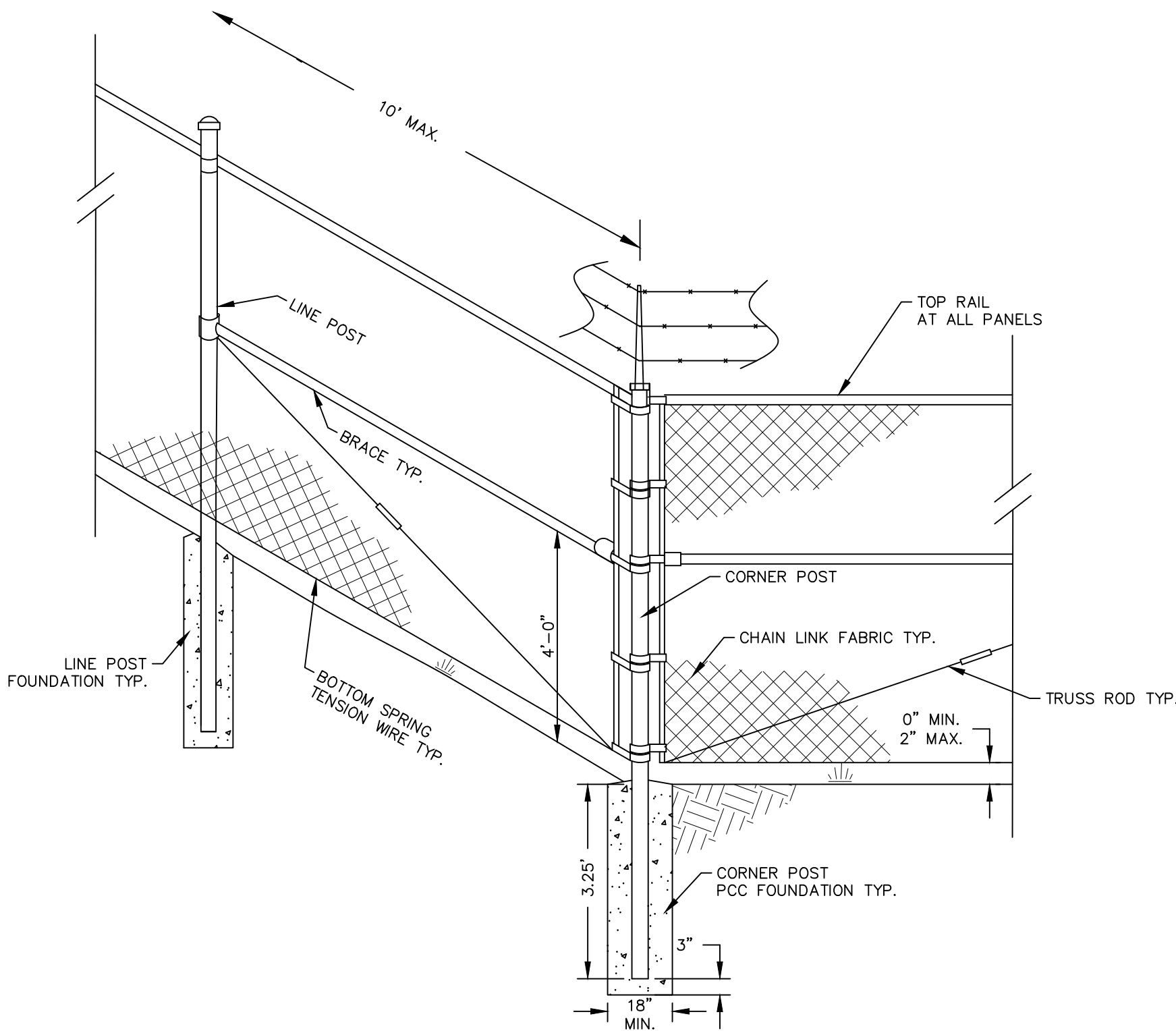
FENCE SECTION

SCALE: NTS



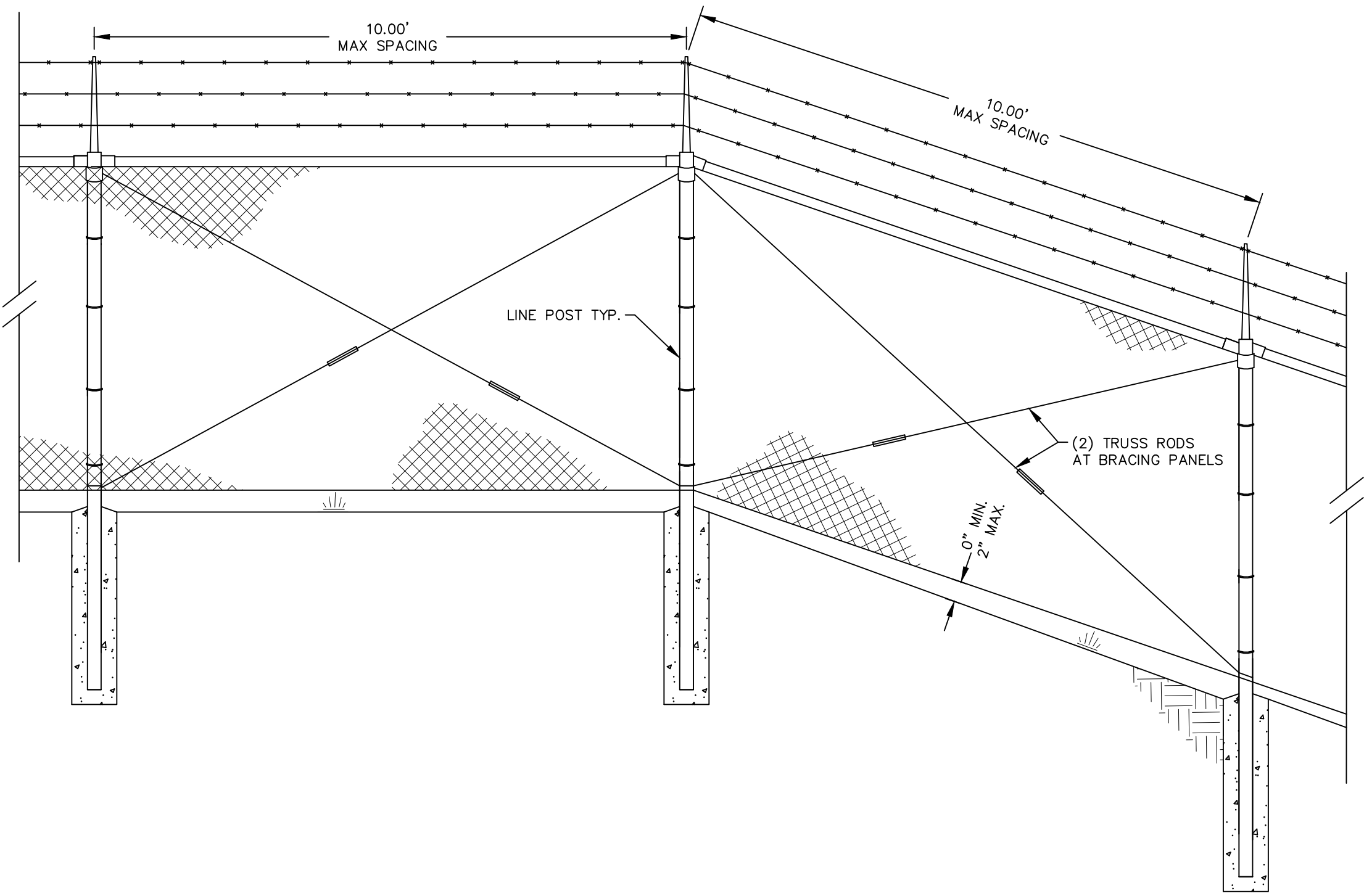
BASIN CROSS SECTION

SCALE: NTS



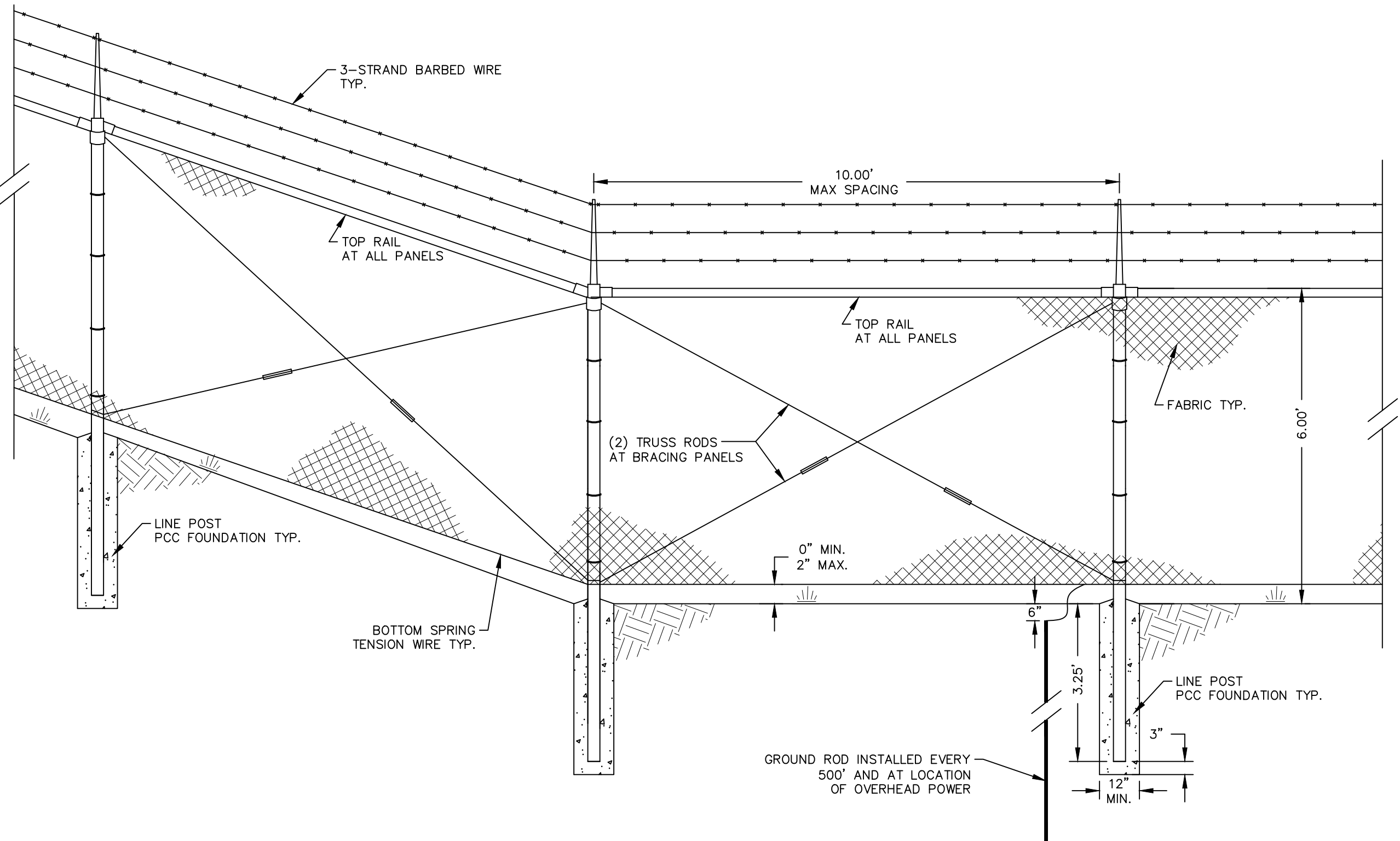
FENCE CORNER DETAIL

SCALE: NTS



FENCE AT GRADE BREAK DETAIL

SCALE: NTS



FENCE SIGNAGE DETAIL

SCALE: NTS



NO TRESPASSING SIGNS AVAILABLE FROM:
NEXT DAY SIGNS
1935 S. BROADWAY, SANTA MARIA
(805) 928-6059

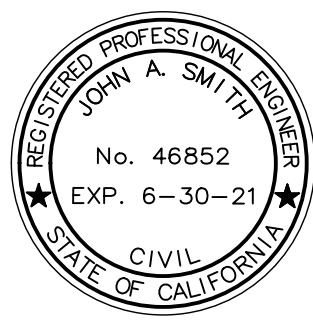
UNDERGROUND SERVICE ALERT
DIAL 811
TWO WORKING DAYS
BEFORE YOU DIG

DETAILS

FENCING AND BASINS

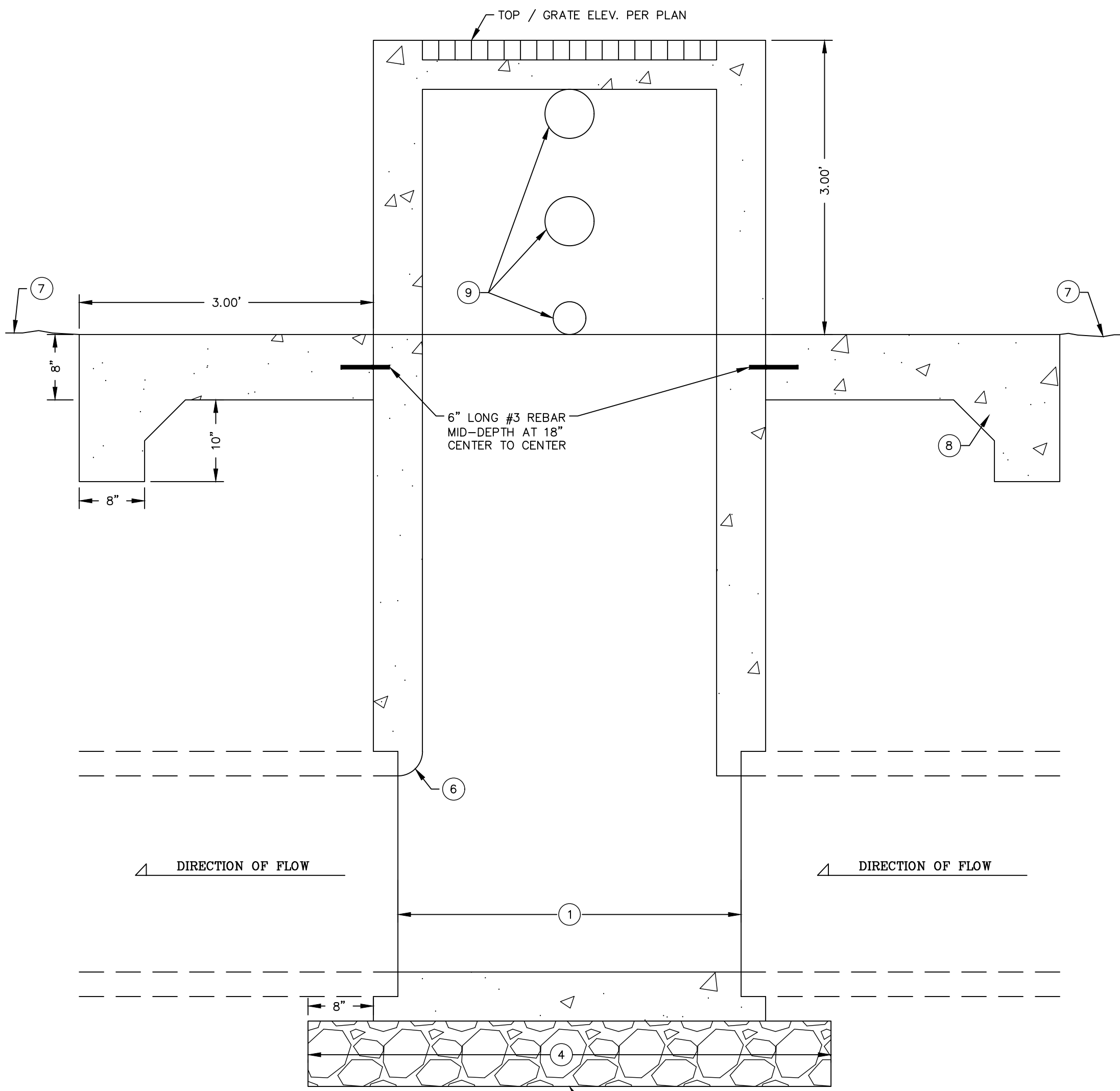
REV.	DESCRIPTION	DATE	APP.
1			
2			
3			
4			
5			

TARTAGLIA ENGINEERING
CENTRAL WEST PRODUCE
INFIELD FARMING OPERATIONS



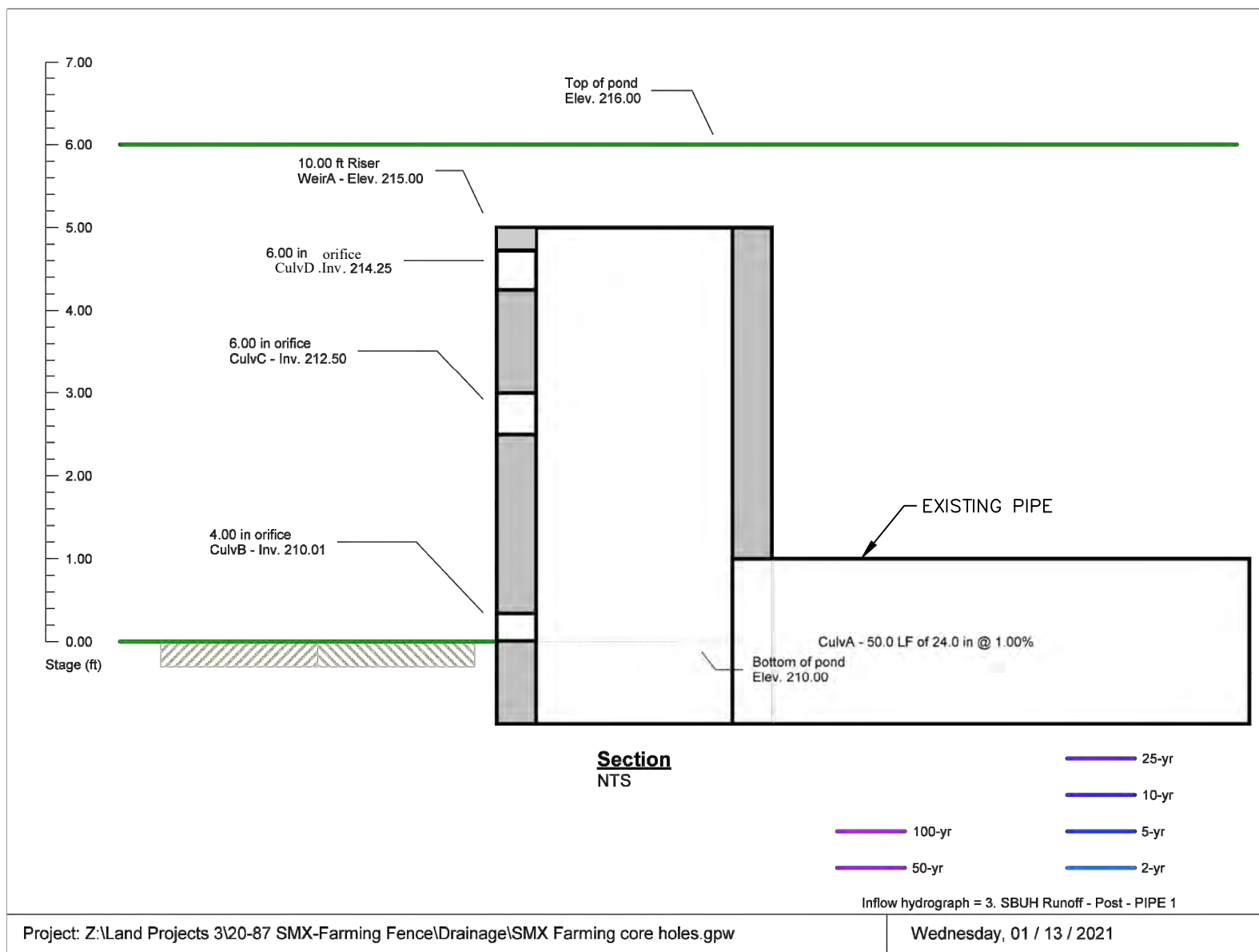
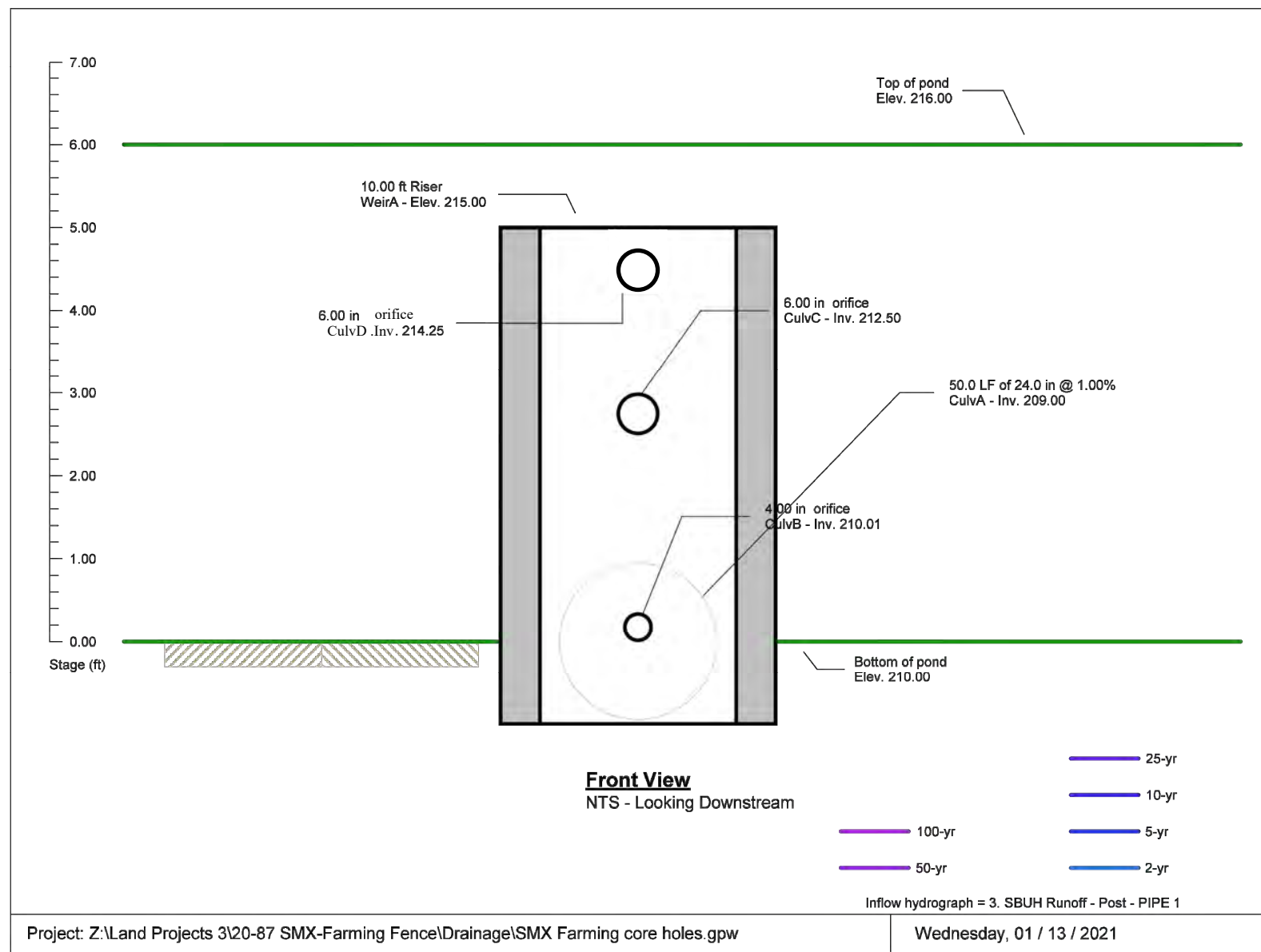
DESIGN MRA
DRAWN MRA
CHECKED JAS
SCALE N/A
DWG.NO. 20-87
DATE 1/15/2021
SHEET 5 of 7

PLT DATE: 1/15/2021

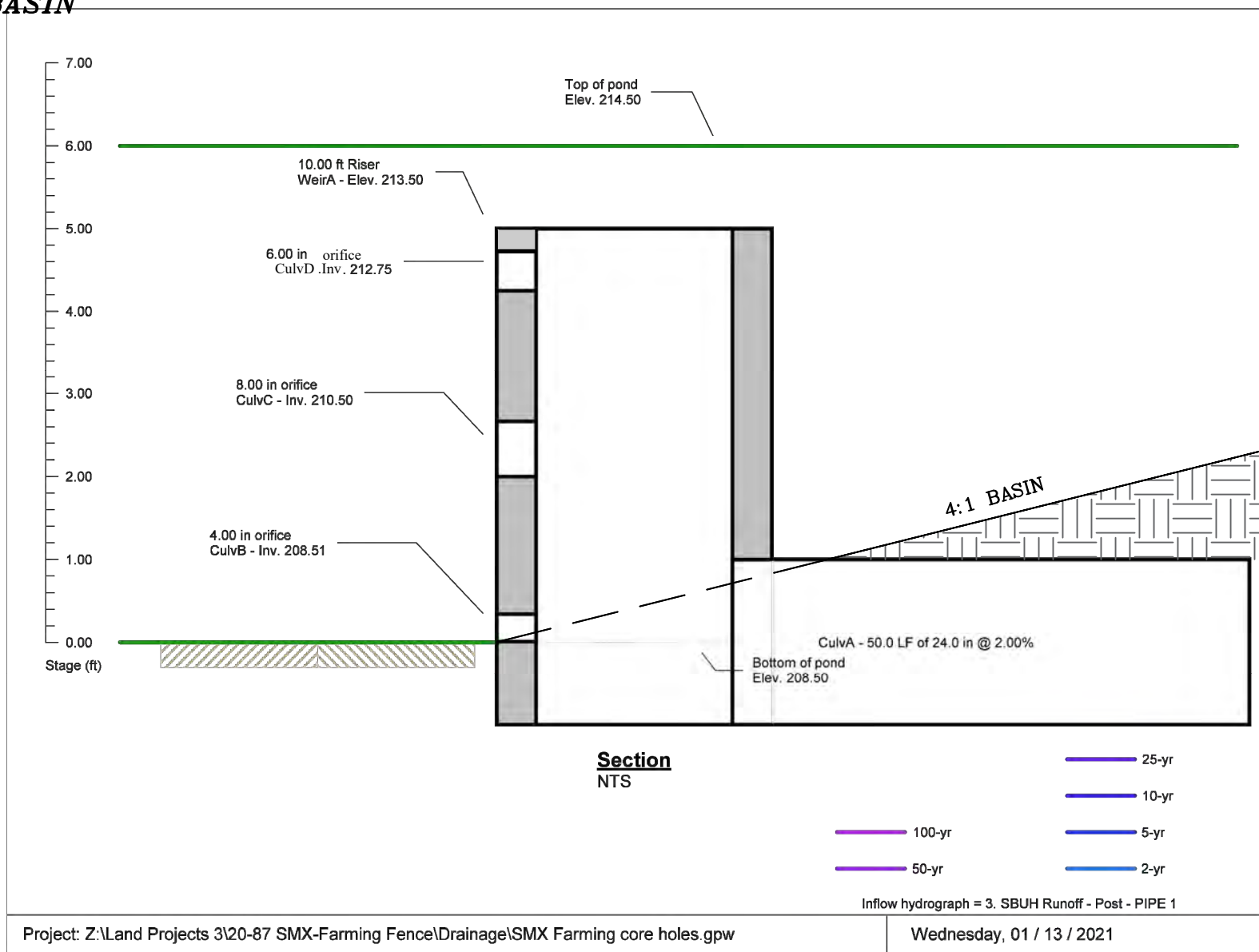
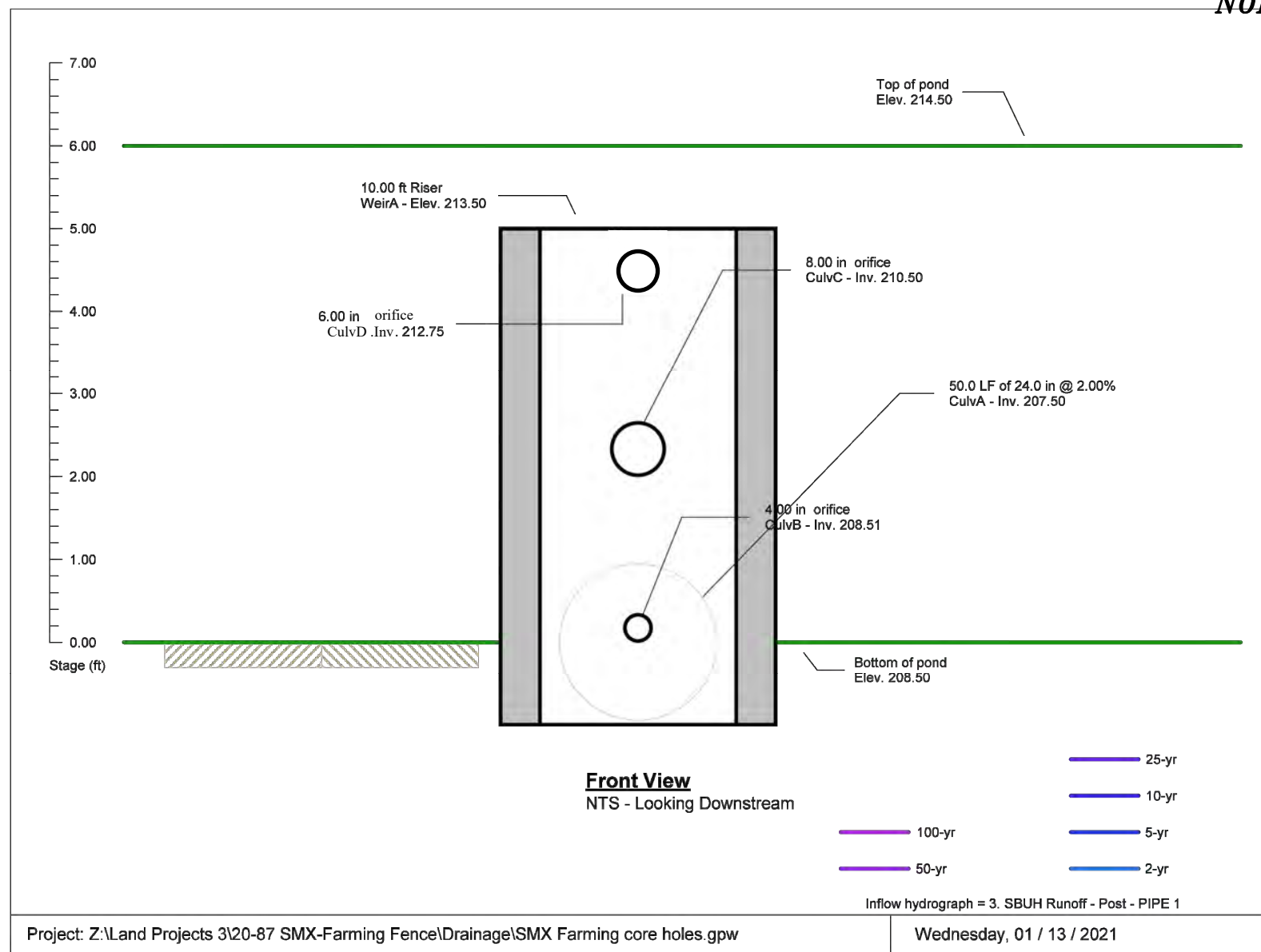


- 1 REMOVE CONFLICTING PORTIONS OF EXISTING RCP. (ONLY EXISTING PIPES.)
- 2 EXCAVATE AS NECESSARY TO ACCOMMODATE NEW BOX.
- 3 SURFACE COMPACT EXISTING NATIVE MATERIAL TO NOT LESS THAN 95% RELATIVE DENSITY.
- 4 PLACE AND COMPACT. IMPORT AGGREGATE BEDDING.
- 5 SET NEW BOX TO THE LINES AND GRADES SHOWN.
- 6 GROUT WATER-TIGHT THE INLET AND OUTLET TO ALL PIPES. THE OUTLET SHALL BE GROUTED TO A 3" RADIUS ROUNDING.
- 7 BACKFILL AND COMPACT AROUND BOX, UP TO BASIN BOTTOM, TO NOT LESS THAN 95% RELATIVE DENSITY.
- 8 CONSTRUCT PCC APRON AROUND BOTTOM.
- 9 CORE DRILL WITH INVERT ELEVATIONS PER DETAIL B, SHEET 6.

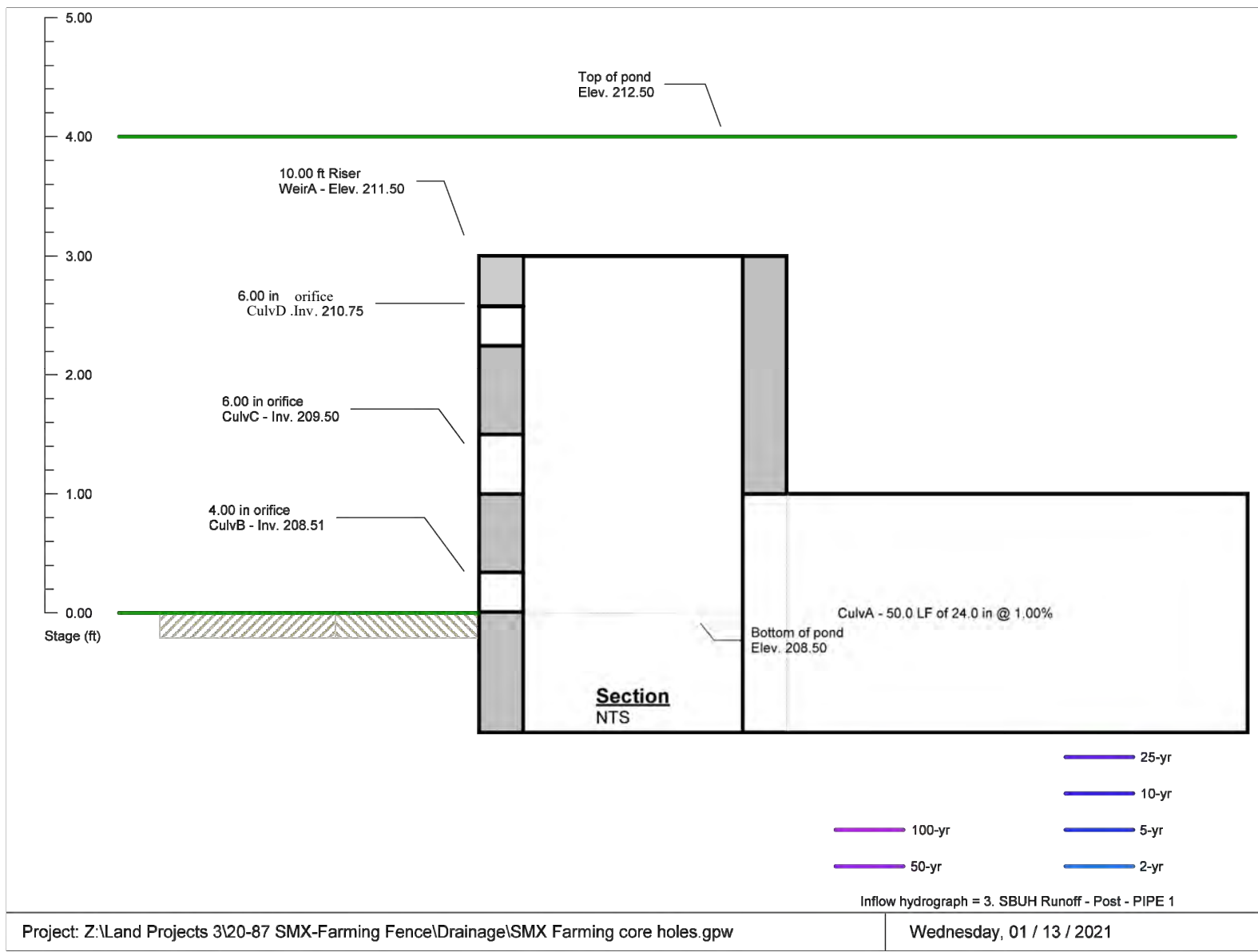
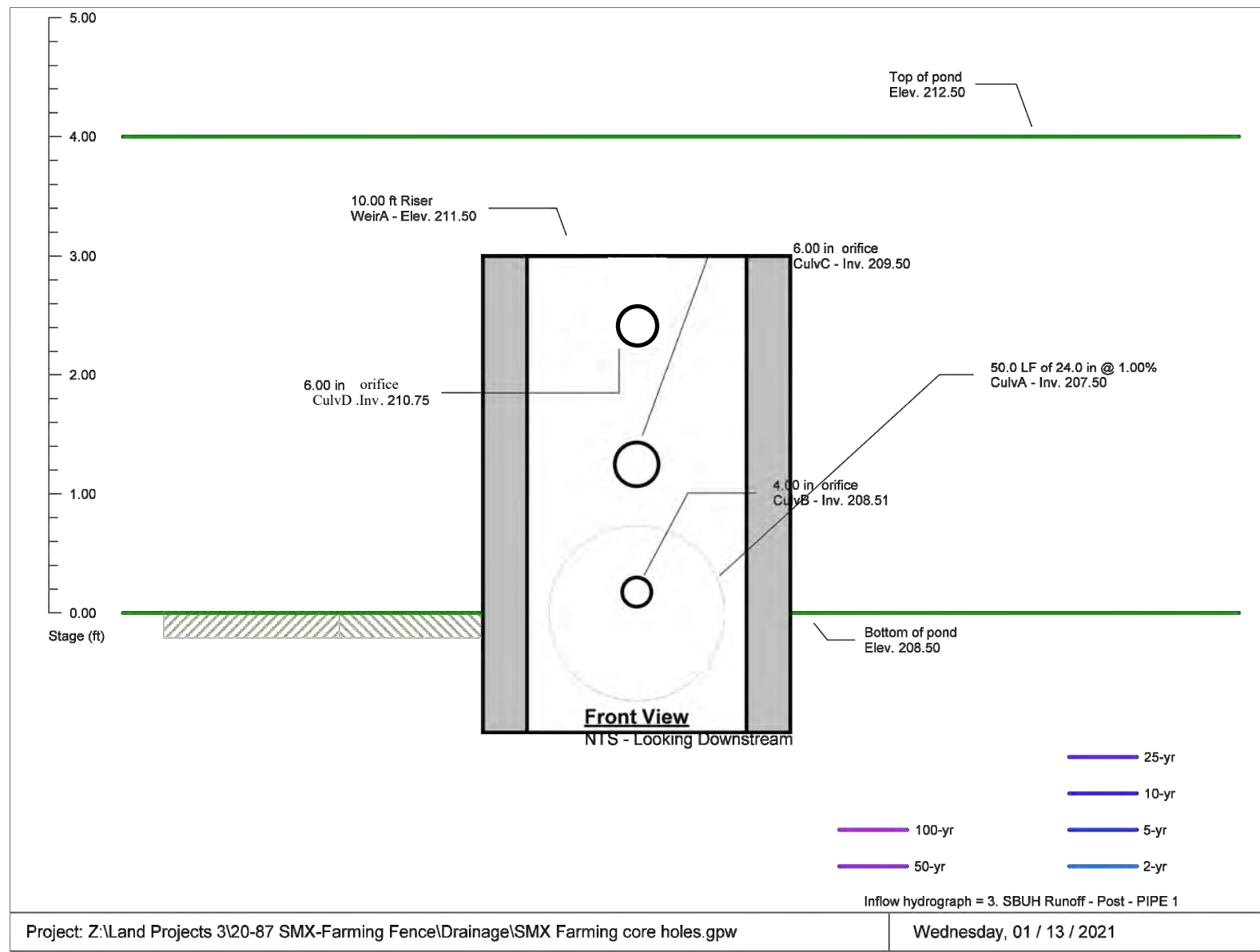
A
6 TYP. OUTLET STRUCTURE
SCALE: NTS



NORTH BASIN



CENTRAL BASIN



SOUTH BASIN

B
6 BASIN OUTLET STRUCTURE DETAILS
SCALE: NTS

DETAILS

BASIN OUTLET STRUCTURE

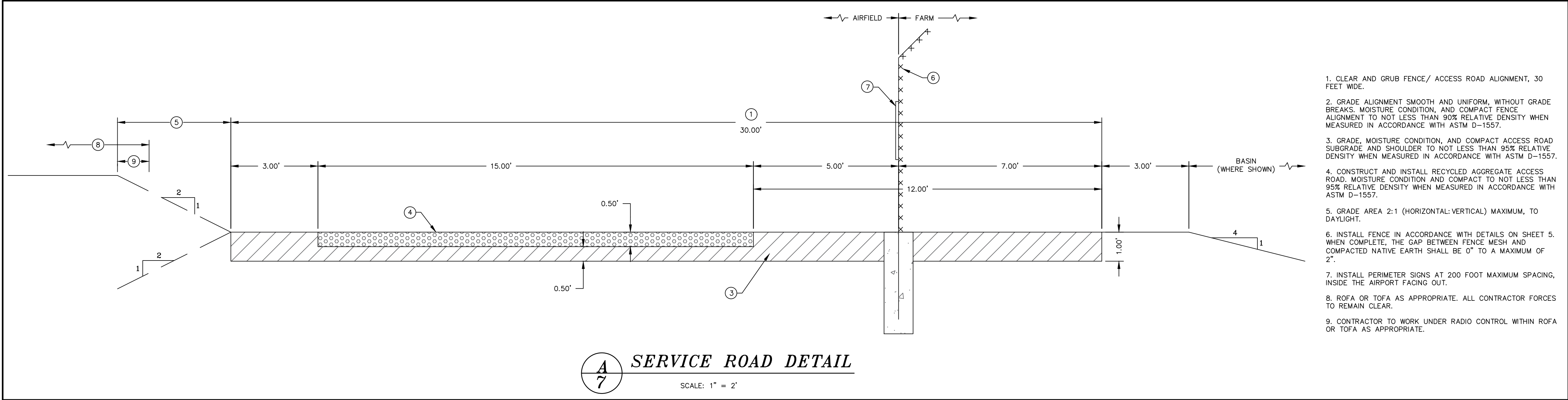
UNDERGROUND SERVICE ALERT
DIAL 811
TWO WORKING DAYS
BEFORE YOU DIG

REV.	DESCRIPTION	DATE	APP.
1			
2			
3			
4			
5			
6			
7			
8			
9			

TARTAGLIA
ENGINEERING
CENTRAL WEST PRODUCE
INFIELD FARMING OPERATIONS


DESIGN JTH
DRAWN MRA
CHECKED JAS
SCALE N/A
DWG.NO. 20-87
DATE 1/15/2021
SHEET 6 OF 7

REGISTERED PROFESSIONAL ENGINEER
JOHN A. SMITH
No. 46852
EXP. 6-30-21
CIVIL
STATE OF CALIFORNIA



1. CLEAR AND GRUB FENCE/ ACCESS ROAD ALIGNMENT, 30 FEET WIDE.
2. GRADE ALIGNMENT SMOOTH AND UNIFORM, WITHOUT GRADE BREAKS; MOISTURE CONDITION, AND COMPACT FENCE ALIGNMENT TO NOT LESS THAN 90% RELATIVE DENSITY WHEN MEASURED IN ACCORDANCE WITH ASTM D-1557.
3. GRADE, MOISTURE CONDITION, AND COMPACT ACCESS ROAD SUBGRADE AND SHOULDER TO NOT LESS THAN 95% RELATIVE DENSITY WHEN MEASURED IN ACCORDANCE WITH ASTM D-1557.
4. CONSTRUCT AND INSTALL RECYCLED AGGREGATE ACCESS ROAD, MOISTURE CONDITION AND COMPACT TO NOT LESS THAN 95% RELATIVE DENSITY WHEN MEASURED IN ACCORDANCE WITH ASTM D-1557.
5. GRADE AREA 2:1 (HORIZONTAL:VERTICAL) MAXIMUM, TO DAYLIGHT.
6. INSTALL FENCE IN ACCORDANCE WITH DETAILS ON SHEET 5. WHEN COMPLETE, THE GAP BETWEEN FENCE MESH AND COMPACTED NATIVE EARTH SHALL BE 0" TO A MAXIMUM OF 2".
7. INSTALL PERIMETER SIGNS AT 200 FOOT MAXIMUM SPACING, INSIDE THE AIRPORT FACING OUT.
8. ROFA OR TOFA AS APPROPRIATE. ALL CONTRACTOR FORCES TO REMAIN CLEAR.
9. CONTRACTOR TO WORK UNDER RADIO CONTROL WITHIN ROFA OR TOFA AS APPROPRIATE.

UNDERGROUND SERVICE ALERT



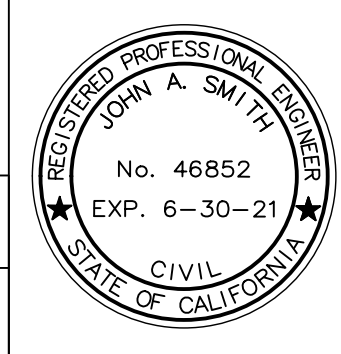
DIAL 811
TWO WORKING DAYS
BEFORE YOU DIG

DETAILS
SERVICE ROAD

REV.	DESCRIPTION	DATE	APP.
△	-	-	-



CENTRAL WEST PRODUCE
INFIELD FARMING OPERATIONS



DESIGN JAS
DRAWN MRA
CHECKED JAS
SCALE N/A
DWG.NO. 20-87
DATE 1/15/2021
SHEET 7 of 7

PLT DATE: 1/15/2021