



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

**Thursday
November 9, 2023**

**Administration Building
Airport Boardroom
6:00 P.M.**

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Moreno, Adams, Baskett, Clayton, Brown

- 1. MINUTES OF THE REGULAR MEETING HELD OCTOBER 26, 2023**
- 2. COMMITTEE REPORT(S):**
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc)
 - d) CITY & COUNTY LIAISON
 - e) STATE & FEDERAL LIAISON
 - f) VANDENBERG LIAISON
 - g) BUSINESS PARK COMMITTEE (Ad Hoc)
- 3. GENERAL MANAGER'S REPORT**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register

5. **PUBLIC SESSION:** Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish a time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
6. **PRESENTATION BY GLENN MORRIS, SUZANNE SINGH, AND JENNIFER HARRISON FOR THE ANNUAL CHAMBER OF COMMERCE UPDATE.**
7. **AUTHORIZATION FOR TUITION REIMBURSEMENT FOR ONE STAFF MEMBER.**
8. **AUTHORIZATION FOR THE PRESIDENT TO EXECUTE THE PROPOSAL FOR PFAS ASSESSMENT BETWEEN THE DISTRICT AND SCS ENGINEERS.**
9. **RESOLUTION 928. RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT EXPRESSING APPRECIATION FOR CARLA OSBORN FOR SERVICE AS AN EMPLOYEE OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT.**
10. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE FIRST AMENDMENT OF SERVICE AGREEMENT BETWEEN THE DISTRICT AND TARTAGLIA ENGINEERING FOR THE (DESIGN, BIDDING, AND CONSTRUCTION PHASE SERVICES FOR REHABILITATE PARALLEL AND CONNECTING TAXIWAYS, PHASE 1) AT THE SANTA MARIA PUBLIC AIRPORT DISTRICT**
11. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE ASSIGNMENT OF THE COMMERCIAL HANGAR/BUILDING SPACE LEASE BETWEEN THE DISTRICT AND INTERNATIONAL EMERGENCY SERVICES, INC. TO JAMES S. BAGNARD FOR THE HANGAR LOCATED AT 3117-C LIBERATOR STREET, SANTA MARIA, CA 93455.**
12. **NOMINATIONS FOR ONE REGULAR AND ONE ALTERNATE SPECIAL DISTRICT MEMBER TO SANTA BARBARA LAFCO AND AUTHORIZATION FOR THE PRESIDENT TO WRITE IN THE NOMINATIONS ON BEHALF OF THE DISTRICT.**
13. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A CONSENT OF LESSOR BETWEEN MALDONADO COMPANIES AND SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT PURSUANT TO LEGAL COUNSEL REVIEW AND APPROVAL.**
14. **CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
 - a) Conference with Legal Counsel-Anticipated Litigation (Paragraph (2) or (3) of Subdivision (d) of Gov. Code Section 54956.9) Significant exposure to litigation: (Two cases).
15. **DIRECTORS' COMMENTS.**
16. **ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD OCTOBER 26, 2023

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

1. MINUTES OF THE REGULAR MEETING HELD October 12, 2023. Director Baskett made a Motion to approve the minutes of the regular meeting held October 12, 2023. Director Adams Seconded and it was carried by a 5-0 vote.
2. COMMITTEE REPORT(S):
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – No meeting scheduled.
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.
 - d) CITY & COUNTY LIAISON – No meeting scheduled.
 - e) STATE & FEDERAL LIAISON – No meeting scheduled.
 - f) VANDENBERG LIAISON – No meeting scheduled.
 - g) BUSINESS PARK COMMITTEE (Ad Hoc) – No meeting scheduled.
3. GENERAL MANAGER'S REPORT. Mr. Pehl updated the Board on various meetings he attended which include S. Lombardi to discuss a digital campaign, EconAlliance, he is now a Board member, United Way presented the Real Cost Measure, The State of the City, Adient Aerospace and the financial auditors. The results will be presented to the Board in December. He updated the Board on the taxiway rehab construction, a temporary Right of Entry was issued to SoCalGas. He also notified the Board that Ms. Osborn, Operations Officer, was leaving the District and moving on to the City of Santa Maria Fire Department.
4. The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.
 - a) Demand Register. The Demand Register, covering warrants 072057 through 072077 in the amount of \$321,274.55, was recommended for approval as presented. Director Baskett made a Motion to accept the Demand Register as presented. Director Clayton Seconded and it was carried by a 5-0 vote.
 - b) Budget to Actual. Received and filed.
 - c) Financial Statements. Received and filed.

d) Quarterly Investment Report. Received and filed.

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

David Baskett, as a member of the public, requested to give his minutes to Mr. Gibbons. The request was denied.

Tom Gibbons, a member of the public, spoke about the Brown Act.

6. Authorization for the General Manager, one Director, and District Counsel to attend the Role of the Airport Attorney Workshop to be held January 20th, 2024, in Monterey, CA. Director Adams made a Motion to approve. Director Brown Seconded and it was carried by a 5-0 vote.
7. Authorization for the General Manager, two staff members, and one Director to attend the 2024 S.W.A.A.E Winter Conference to be held January 21st – 24th, 2024, in Monterey, CA. Director Adams made a Motion to approve. Director Baskett Seconded and it was carried by a 5-0 vote.
8. Authorization for one staff member to attend the 2024 Annual Air Service Data Seminar to be held January 22nd -24th, 2024, in Austin, TX. Director Baskett made a Motion to approve. Director Clayton Seconded and it was carried by a 5-0 vote.
9. Authorization for one staff member to attend the 2024 Annual California Society of Municipal Finance Officers conference to be held January 30th – February 2nd, 2024, in Anaheim, CA. Director Brown made a Motion to approve. Director Adams Seconded and it was carried by a 5-0 vote.
10. Authorization for two staff members to attend the 2024 Mead & Hunt Air Service Development conference to be held February 27th – 29th, 2024, in Scottsdale, AZ. Director Baskett made a Motion to approve. Director Adams Seconded and it was carried by a 5-0 vote.
11. Authorization for the President to execute the Proposal for PFAS Assessment between the District and SCS Engineers. This item was tabled until the following meeting.
12. CLOSED SESSION. At 6:18 p.m. the Board went into Closed Session to discuss the following item(s):
- a) Conference with Legal Counsel-Anticipated Litigation (Paragraph (2) or (3) of subdivision (d) of Gov. Code Section 54956.9) Significant exposure to litigation: (Two cases).

- b) Conference with Real Property Negotiators (Martin Pehl and District Counsel) Re: 3111-K Airpark Drive, Santa Maria, CA 93455 (Gov. Code Section 54956.8)

At 6:41 pm., the Board and staff reconvened to Open Public Session.

There was one reportable action on item 12b. On a Motion by Director Baskett and Seconded by Director Clayton, the Board voted to stay the eviction and directed staff to take appropriate action. The Motion passed by the following roll call vote. Directors Moreno, Adams, Baskett, and Clayton voted "Yes". Director Brown voted "No".

13. DIRECTORS' COMMENTS: Director Adams had no comment.

Director Brown requested a meeting be set up to discuss Pioneer Park.

Director Baskett would like to see District roads redone. He would like an update on the micro grid discussion and asked President Moreno to pickup signs.

President Moreno agreed that infrastructure needs to be improved but they are not a top priority. He notified Director Baskett he could throw away the signs.

Director Clayton is excited about an upcoming meeting with the Santa Maria Fire Chief.

14. ADJOURNMENT. President Moreno asked for a Motion to adjourn to a Regular Meeting to be held on November 9, 2023, at 6:00 p.m. at the regular meeting place. Director Adams made that Motion, Director Clayton Seconded and it was carried by a 5-0 vote.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 6:46 p.m. on October 26, 2023.

Ignacio Moreno, President

David Baskett, Secretary

2023-2024

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 072078 to 072119 and electronic payments on Pacific Premier Bank and in the total amount of \$159,287.30.

MARTIN PEHL
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 072078 to 072119 and electronic payments on Pacific Premier Bank in the total amount of \$159,287.30 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 NOVEMBER 9, 2023.

DAVID BASKETT
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 72078	11/1/2023	American Assn of Airport Exec	\$495.00	Digicast - 1/1/24 - 3/31/23
* 72079	11/1/2023	Adamski Moroski	\$6,616.00	Legal Counsel Services
* 72080	11/1/2023	AT&T	\$171.22	Telephone Service
* 72081	11/1/2023	BMI PacWest	\$935.34	Terminal Maintenance
* 72082	11/1/2023	Brayton's Power Wash & Sweep	\$500.00	Street Sweeping
* 72083	11/1/2023	CCI Office Technologies	\$198.92	Postage Supplies - Cartridge
* 72084	11/1/2023	Consolidated Electrical Distributors, Inc.	\$1,460.25	MHP Maintenance
* 72085	11/1/2023	City of Santa Maria	\$515.00	Construction Meter Fees
* 72086	11/1/2023	City of Santa Maria-Util Div	\$11,501.05	Utilities - Water
* 72087	11/1/2023	Clark Pest Control	\$272.00	Building Maintenance - Terminal
* 72088	11/1/2023	De Lage Landen	\$87.93	Copier
* 72089	11/1/2023	Frontier Communications	\$793.25	Telephone Service
* 72090	11/1/2023	Grainger	\$592.90	Shop Supplies
* 72091	11/1/2023	Heath, Ray	\$3,575.20	Consulting Services - Contingencies
* 72092	11/1/2023	Home Depot	\$1,914.37	Shop Supplies
* 72093	11/1/2023	J B Dewar, Inc	\$6,183.32	Diesel Fuel/Diesel Tankwagon
* 72094	11/1/2023	J.D. Humann Landscape Contr.	\$4,955.00	Landscaping - Terminal
* 72095	11/1/2023	Mission Linen Service	\$398.60	Uniform Service
* 72096	11/1/2023	Napa Auto Parts	\$50.49	Vehicle Maintenance
* 72097	11/1/2023	Outdoor Supply Hardware	\$1,018.04	Shop Supplies/Admin Maintenance
* 72098	11/1/2023	Pat's Automotive	\$50.00	Vehicle Maintenance - Smog Check
* 72099	11/1/2023	Quinn Company	\$2,104.11	Signs/Airfest Prep
* 72100	11/1/2023	Santa Barbara Cnty Special District Assoc.	\$40.00	Special District Dinner Meeting
* 72101	11/1/2023	SCS Engineers	\$925.00	PFAS Assessment Workplan - September 2023
* 72102	11/1/2023	Sign Creations	\$206.63	Signs
* 72103	11/1/2023	S Lombardi & Assoc., Inc.	\$9,880.00	Airport Advertising
* 72104	11/1/2023	South Coast Emergency Vehicle Services	\$305.46	Vehicle Maintenance
* 72105	11/1/2023	U.S. Dept. of Agriculture	\$900.78	Wildlife Abatement Program
* 72106	11/1/2023	Verizon Wireless	\$1,129.38	Mobile Devices
* 72107	11/1/2023	WageWorks	\$100.00	Cafeteria Plan - Admin Fee
* 72108	11/1/2023	Western Propane Service	\$278.73	Vehicle Maintenance
* 72109	11/1/2023	Work World	\$130.49	Work Uniform - Danel Pruitt
* 72110	11/1/2023	Oberon3, Inc	\$50.00	Terminal Maintenance
* 72111	11/1/2023	White Cap, L.P.	\$339.24	Fencing and Gates
* 72112	11/1/2023	Gsolutionz, Inc.	\$107.95	GPS Cloud Svcs - Phones - December 2023
* 72113	11/1/2023	U.S. Bank Equipment Finance	\$544.96	RICOH Printer Lease
* 72114	11/1/2023	United Rentals	\$832.68	Airfest Prep
* 72115	11/1/2023	Next Movement	\$12,450.00	SMX Customs
* 72116	11/1/2023	Earth & Water Law, LLC	\$4,950.00	Storm Water Permit
* 72117	11/1/2023	Custom Socks Lab	\$2,913.00	Airport Advertising

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 72118	11/1/2023	Sheppard Welding Services	\$400.00	Mower Repair
* 72119	11/1/2023	Pastusak, Thomas	\$557.00	Tenant Refund
		Subtotal	<u>\$81,429.29</u>	
ACH	10/26/2023	Paychex	\$31,724.91	Payroll
ACH	10/26/2023	Paychex	\$9,430.92	Payroll Taxes
ACH	10/26/2023	Umpqua Bank	\$18,520.70	Bus. Travel, Term. Maintenance, Office Equipment
ACH	10/27/2023	Paychex	\$201.55	Paychex Invoice
ACH	10/27/2023	Empower Retirement	\$6,910.74	Employee Paid Retirement
ACH	10/31/2023	Principal	\$2,685.41	Employee Dental/Life/Disability Insurance
ACH	11/2/2023	Aflac	\$277.56	Employee Voluntary Insurance
ACH	11/2/2023	Paychex	\$2,082.91	Payroll Taxes
ACH	11/2/2023	Paychex	\$5,639.90	Payroll
ACH	11/3/2023	Paychex	\$178.50	Paychex Invoice
ACH	11/3/2023	Ready Refresh	\$170.84	Water Delivery
ACH	11/6/2023	Ready Refresh	\$34.07	Water Delivery
		Subtotal	<u>\$77,858.01</u>	
		Total	<u><u>\$159,287.30</u></u>	



November 9, 2023

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

Subject: Authorization for tuition reimbursement for one staff member

Summary

Based upon section 10.5 of the Personnel Manual I am requesting reimbursement for Katya Haussler. Ms. Haussler has completed and passed this course at the University of Massachusetts.

Budget

Course	Tuition	Books	Total
Information Fluency and Academic Integrity	\$1,630.00		\$1,630.00
Total			\$1,630.00

Overall Impact

Approved 2023-2024 Budget for Education	\$23,272.00
Previously Approved for Education	\$7,746.54
Current Balance for Education	\$15,525.46
Amount of this Request	\$1,630.00
Balance Remaining if Approved	\$13,895.46

Recommendation

I recommend we repay Mrs. Haussler. The District will benefit as a result of additional training and these classes will assist the Accounting Clerk's pursuit of her bachelor's degree.

Sincerely,

Veroneka Reade
Manager of Finance & Administration



Student Accounts - Fall 2023 Session 1 - Account Activity

Description	Code	Date	Charges	Credits/ Anticipated Credits
Bachelors Tuition Fall 1	1200	8/28/23	\$1,500.00	--
Bachelors Tuition Fall 1	1200	8/28/23	-\$1,500.00	--
Bachelors Tuition Fall 1	1200	8/28/23	\$1,500.00	--
Technology Fee	2303	8/28/23	\$130.00	--
PayPath Payment - Discover	9064	8/25/23	--	\$1,630.00
Total Charges:				\$1,630.00
Total Credits/Anticipated Credits:				\$1,630.00
Term Balance:				\$0.00

Final Grades

B00687725 Katya Haussler
Fall 2023 Session 1 (8 Wks)
Oct 26, 2023 10:34 am

Student Information

Current Program

Bachelor of Business Admin.

Level: Undergraduate

Program: BBA in Business Admin

Admit Term: Fall 2023 (16 Wks)

Admit Type: Regular Admission

Catalog Term: Spring 2023 (16 Wks)

College: Business & Prof Studies

Campus: Online

Major and Department: Business Administration, Business Administration

Academic Standing:

Undergraduate Course work

<u>CRN</u>	<u>Subject</u>	<u>Course</u>	<u>Section</u>	<u>Course Title</u>	<u>Campus</u>	<u>Final Grade</u>	<u>Attempted</u>	<u>Earned</u>	<u>GPA</u>	<u>Hours</u>	<u>Quality Points</u>
27009	LBSU	302	OL4	Information Fluency and Academic Integrity	Online	A	3.000	3.000	3.000	3.000	12.000

Undergraduate Summary

	<u>Attempted</u>	<u>Earned</u>	<u>GPA</u>	<u>Hours</u>	<u>Quality Points</u>	<u>GPA</u>
Current Term:	3.000	3.000	3.000	12.000	4.000	
Cumulative:	3.000	3.000	3.000	12.000	4.000	
Transfer:	126.150	123.150	117.650	423.612	3.601	
Overall:	129.150	126.150	120.650	435.612	3.611	

[Select another Term](#)

© 2023 Ellucian Company L.P. and its affiliates.

Proposal for PFAS Assessment Santa Maria Airport (KSMX)

Mr. Martin Pehl
General Manager
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455



SCS ENGINEERS

01219192.00 | October 16, 2023

8799 Balboa Avenue, Suite 290
San Diego, CA 92123
858-571-5500

CONFIDENTIAL AND PRIVILEGED
NOT TO BE DISCLOSED TO NON-CLIENT PARTIES

Copyright 2023 SCS Engineers

October 16, 2023
Project Number: 01219192.00

Mr. Martin Pehl
General Manager
Santa Maria Public Airport
3217 Terminal Drive
Santa Maria, California 93455

**RE: Agreement for Services 010162220
PFAS Assessment**

**Site: Santa Maria Public Airport (KSMX)
3217 Terminal Drive
Santa Maria, California 93455**

Dear Mr. Pehl:

We appreciate the opportunity to present this proposal for environmental consulting services to the Santa Maria Public Airport (Client) to conduct soil and groundwater assessment for the presence of per- and polyfluoroalkyl substances (PFAS) at the Santa Maria Public Airport. The proposed assessment activities will be conducted pursuant to the California State Water Resources Control Board (SWRCB or Water Board) investigation order WQ 2019-0005-DWQ (the Order), and SCS's workplan titled, Supplemental PFAS investigation Work Plan, dated October 12, 2022, and approved by the SWRCB on June 23, 2023.

This proposal, upon your signature, will be an Exhibit to the previously executed Consulting Agreement (Contract) between SCS Engineers (SCS) and the Client. The signed Exhibit and the Contract will be the agreement for services between SCS and the Client for completing the assessment activities for the above referenced Site.

1.0 BACKGROUND

On March 20, 2019, Santa Maria Public Airport (Site), located at 3217 Terminal Drive in Santa Maria California, received investigation order WQ 2019-0005-DWQ (The Order) from the California State Water Resources Control Board (SWRCB) via the Central Coast Regional Water Quality Control Board (RWQCB). The Order required submittal of a work plan for the preliminary investigation of per- and polyfluoroalkyl substances (PFAS) at the Site.

The following phases of assessment have been conducted at the Site:

- SCS submitted a work plan titled “*PFAS Sampling Work Plan*” (Initial Work Plan) to the RWQCB on October 14, 2019, for review and approval. Conditional approval of the Initial Work Plan was provided by the RWQCB in a letter dated December 23, 2019.
- The initial investigation was conducted on March 24 through 26, 2020. On June 1, 2020, SCS submitted a report titled “*PFAS Investigation Report*,” covering the scope and results of the initial investigation. Based on the results of the investigation, SCS concluded that concentrations of PFAS were detected in soil and groundwater at various investigation sites at the airport. As a data gap, SCS noted in the report that groundwater was not encountered in some of the borings originally intended for collection of groundwater samples. The RWQCB responded to the PFAS Investigation Report in a letter dated July 16, 2020. In that letter, the RWQCB commented that additional site investigation activities are necessary to further delineate the extent of PFAS-impacted media underlying and/or emanating from the Site and required submittal of a supplemental PFAS investigation work plan.
- On October 8, 2020, SCS submitted a work plan titled “*Supplemental PFAS Investigation Work Plan*” (Supplemental Work Plan) to the RWQCB for review and approval. Conditional approval of the Supplemental Work Plan was provided by the RWQCB in a letter dated July 16, 2021.
- The supplemental investigation was conducted at the Site in September and October 2021 in accordance with the RWQCB-approved Supplemental Work Plan. Detectable concentrations of PFAS constituents were reported in soil and groundwater samples collected during the supplemental investigation. In the report titled “*Supplemental PFAS Site Investigation Report*,” dated November 15, 2021, SCS concluded that the additional assessment had detected PFAS in additional soil and groundwater samples. SCS also concluded the following:
 - At the AFFF Storage Area and Coastal Valley Aviation Hangar areas, it appears the vertical extent of PFAS in soil has been delineated in the vadose zone, since groundwater was not encountered at either site to the maximum depth investigated (70 feet below grade), there is a low likelihood that groundwater has been impacted by releases of PFAS at either location.
 - At the Nozzle Test Area and the Runway Crash Site areas, it appears that the extent of PFAS in soil is adequately delineated, and that PFAS constituents may be located along the top of the local shallow water table.
 - The extent of PFAS constituents in soil at both the Nozzle Test Area and the Runway Crash Site location appears to have been adequately delineated.

Based on these conclusions, SCS made the following recommendations:

- Based on the depth to groundwater (greater than 70 feet) and the generally decreasing PFAS concentrations in soil with depth, SCS recommends no further soil or groundwater assessment at the AFFF Storage Area and the Coastal Valley Aviation Hangar.
- Based on the soil analytical results, SCS recommends no further assessment of the extent of PFAS constituents be required in the Nozzle Test Area and the Runway Crash Site location at this time.

- The RWQCB prepared a response letter dated June 16, 2022, with comments on the supplemental site investigation report and requirements for further Site assessment. The RWQCB comments are summarized as follows:
 - Complete vertical and lateral delineation of impacted media is required.
 - Regarding the nozzle test area, delineation of groundwater impacts may be prioritized to aid in subsequently conducting a focused investigation of sources of AFFF in soil.
 - The RWQCB agreed with SCS' recommendation to resample newly installed wells.
 - Additional sampling associated with drainage basins A and C is needed to address discrepancies between results and conditions during several previous sampling events.
 - The RWQCB indicated a concern that potential PFAS source areas might drain to a channel/drainage ditch that flows along Skyway Drive and terminates in the northwestern portion of the airport, and stated that drainage paths of surface water from potential PFAS sources must be evaluated to confirm that termination points that result in discharge to land have been screened for PFAS.
 - Regarding a former sewer treatment plant in the northwestern portion of the airport, evaluation of the sources of waste to this plant and possible scope of work to conduct a preliminary screening of the area is required.
 - Due to detections of PFAS in certain supply wells, namely city wells #6 and #10, the RWQCB indicated that these detections should be confirmed and an evaluation of potential sources of PFAS in these wells should be conducted, including an evaluation of regional groundwater flow, supply well construction details, historical analytical data, and PFAS signatures at onsite source areas.

- On October 12, 2022, SCS submitted a supplemental PFAS investigation work plan to the RWQCB for review and approval. On November 22, 2022, the RWQCB requested additional information, including information regarding the operations at a former wastewater treatment plant that was located northwest of the airport. On December 9, 2022, SCS responded to the RWQCB's information request. Regarding operations of the wastewater treatment plant, SCS responded as follows
 - Former wastewater treatment plant.
 - How was treated effluent disposed? We do not have information as to how the effluent was disposed other than a feature labeled "outlet box" on the treatment plant layout plan attached.
 - Sludge: The attached plan depicts the sludge beds immediately south of the plant, as also outlined in our workplan. To our knowledge these sludge beds were not lined.
 - Historic aerial photographs and the sewage treatment plant layout are attached.

- Conditional Approval of the Supplemental Work Plan was provided by the RWQCB in a letter dated June 23, 2023, with the following conditions:
 - The Airport District must obtain all applicable permits for the work outlined in the Work Plan.

- The Airport District, as proposed in the Work Plan, will conduct sampling activities in accordance with the California State Water Quality Control Board's Per- and Polyfluoroalkyl Substances (PFAS) Sampling Guidelines for Non-Drinking Water dated September 2020, including general guidelines to follow when sampling surface water, groundwater, and soil. The Airport District must document any deviations from the guidance document in the required technical report.
- The Airport District has proposed to use a direct-push rig to facilitate PFAS investigation activities at the Airport. If refusal occurs and results in significant data gaps, the Airport District will be required to remobilize to the site and use alternative methods to achieve target/proposed depths.
- The Airport District has proposed to advance 20 additional soil borings to further delineate the vertical and lateral extent of PFAS impacts at the Airport. To increase the chances of achieving complete vertical delineation in soil and to reduce the need to remobilize drillers, the Airport District may wish to consider recovering additional soil samples past the proposed sampling depths and instructing the laboratory to place these samples on hold pending analytical testing results of the shallower soil samples.
- The Airport District must recover and submit groundwater samples for analytical testing if encountered during site investigation activities (e.g., during drilling activities conducted at the AFFF storage area, Coastal Valley Aviation Hangar, former wastewater treatment plant, etc.) to assist in shallow groundwater characterization at the Airport.
- The Central Coast Water Board understands that the Airport District sampled the existing groundwater monitoring well network in March 2023; however, the laboratory ran the samples outside of the recommended hold times. Consequently, the Airport District must recover and submit groundwater samples collected from the existing groundwater monitoring well networks for analytical testing at the time of supplemental investigation activities.
- The Airport District's proposed scope of work includes the installation of seven shallow groundwater monitoring wells in both the AFFF nozzle testing area and the 2007 airplane crash site.
 - The Airport District must advance soil borings used to facilitate groundwater collection to first encountered groundwater or until drilling refusal is encountered due to local geologic conditions.
 - The Airport District must construct the groundwater monitoring wells in accordance with California Department of Water Resources Bulletin No. 74-81 and Supplement No. 74-90, Porter Cologne Water Quality Control Act sections 13710 through 13755, and any local permitting requirements.
 - The Airport District's proposed scope of work is designed to further delineate the lateral extent of known groundwater impacts in the shallow water bearing zone. The Airport District will be required to delineate the vertical extent of groundwater impacts in subsequent investigations conducted at the Airport.

This proposal has been prepared to comply with the requirements of the RWQCB. The components referenced above are included herein.

2.0 SITE DESCRIPTION AND HISTORY

The Site was built by the United States Army during World War II, originally named Santa Maria Army Airfield, and was initially used for military operations. In 1947 the City of Santa Maria acquired the land and commenced commercial flight operations. The Site is currently composed of approximately 2,500 acres of land used for commercial and general aviation activities. The Site is composed of a series of buildings including, but not limited to, hangars, a fire station, and the terminal used for commercial flights. In addition, the Site has two asphalt runways. Runway 12/30 is approximately 8,004 feet in length by 150 feet in width and Runway 2/20 is approximately 5,199 feet in length by 75 feet in width.

PFAS are a known ingredient in Aqueous Film-Forming Foam (AFFF) used for fire emergency purposes due to its ability to suppress hydrocarbon fuel fires. The AFFF currently stored and used on Site at Santa Maria City Fire Department (SMCFD) Station Number 6 is CHEMGUARD 3% AFFF C306-MS-C. The Client could not provide accurate documentation of when AFFF was originally stored at the Site but the first military specification that set out requirements for AFFF was put in place in 1969. According to incident reports provided by the Client, AFFF has been deployed twice at the Site, once for a hangar fire, and once for a small plane that landed without extending landing gear on Runway 12/30. The Client has reported that AFFF is not used for on-Site fire training or nozzle testing operations.

3.0 SCOPE OF SERVICES

TASK 1 PREPARATION FOR FIELDWORK

Preparation and Submittal of Monitoring Well Permit Application

Prior to conducting fieldwork, a monitoring well permit application will be submitted to the Santa Barbara County Public Health Department (SBCPHD) for approval along with the required fee. The permit application will reflect the proposed construction details of seven (7) permanent groundwater monitoring wells, as well as the field methodology. The permit application will be signed by a state-certified Professional Geologist and submitted to the SBCPHD for approval.

Site Health and Safety Plan

A Site health and safety plan (Plan) is required for the work conducted at the Site by workers within the exclusion zone pursuant to the regulations in 29 Code of Federal Regulations Part 1910.120 and Title 8 California Code of Regulations Section 5192. The existing Plan will be updated, as appropriate, to reflect the proposed scope of work. The Plan outlines the potential chemical and physical hazards that may be encountered during the drilling and sampling activities. The appropriate personal protective equipment and emergency response procedures for the Site-specific chemical and physical hazards are detailed in this Plan. All field personnel involved with the fieldwork will be required to read and sign the document in order to encourage proper health and safety practices.

Utility Search and Markout

Prior to drilling, SCS will notify Underground Service Alert of Southern California and contract with a private underground utility locating company to survey the proposed drilling locations to minimize the likelihood of drilling into an underground utility. SCS will also review utility maps provided by Santa Maria Public Airport, if available.

Project Management, Subcontractor Management, and Scheduling

Prior to mobilizing for fieldwork, SCS will notify and schedule the subcontractors including, but not limited to, the laboratory and the drilling company. In addition, SCS will coordinate with the Client and affected tenants at the Site to ensure appropriate scheduling of fieldwork and to minimize disruptions and impacts to their property use.

Special Considerations for Collecting PFAS Samples

Specific procedures will be followed when sampling for PFAS due to the potential for cross-contamination of PFAS from common consumer products containing PFAS. In addition to specific procedures that will be followed, the SWRCB has provided a list of restricted materials that should not be worn or used by field personnel involved in PFAS sampling activities in an attempt to prevent cross contamination. Some of these restricted materials are listed below:

- Water/stain/dirt-resistant rated clothes (including but not limited to Gore-Tex™, Scotchgard™, RUCO®, etc.)
- New unwashed clothing
- Clothes recently washed with fabric softeners
- Clothes chemically treated for insect resistance and ultraviolet protection
- Coated Tyvek®
- Latex gloves
- Various sunscreens, bug repellants, and food packaging items

A detailed list of allowable materials and sampling procedures for PFAS investigations are included in the California State Water Quality Control Board Division of Water Quality “Per- and Polyfluoroalkyl Substances (PFAS) Sampling Guidelines for Non-Drinking Water”¹ (PFAS Sampling Guidelines). SCS will conduct the sampling in accordance with the PFAS Sampling Guidelines.

TASK 2 FIELD ACTIVITIES

Proposed Soil and Groundwater Sampling Locations

SCS proposes to drill and install a total of seven (7) permanent groundwater monitoring wells for the supplemental PFAS investigation at the Site as described in Section 3 above. In addition, one shallow soil sample from Basin C and two surface water grab sample will be collected at Drainage Basins A and C and SCS will attempt to collect a groundwater sample from City supply well #5. The permanent groundwater monitoring wells will be used to obtain additional soil and groundwater data in the AFFF storage and incident areas. SCS believes that this approach will be sufficient to address the data gaps from the initial investigation and further assess PFAS concentrations at the Site. The

table below includes details of the proposed borings that will be advanced and samples that will be collected during the supplemental PFAS investigation.

Proposed Soil Borings and Sample Locations

Location	Use/Incident	Number of Soil Borings (SBs)/Groundwater Monitoring Wells (GW)	Estimated Boring Depth (feet bgs)	Soil Sample Depth (feet bgs)	Number of Samples	
					Soil	Water
Fire Station	AFFF Storage Area	4/0	45	Every 5 feet plus a shallow (1 or 2 foot) sample	40	0
Coastal Valley Aviation Hangar	2014 Incident: AFFF deployed to suppress fire inside hangar	4/0 2/0	45 20	Every 5 feet 1, 5, 10, 15, and 20	40	0
AFFF Nozzle Testing Area	Fire truck nozzle testing	5/5	35	Every 5 feet	35	8
Runway 12/30 at Taxiway A	2007 Incident: AFFF deployed to aircraft on runway	2/2	15	Every 5 feet	6	6
Drainage Basin A	Surface Drainage from Areas of Concern	0	NA	NA	0	1*
Drainage Basin C	Surface Drainage from Areas of Concern	0	NA	NA	0	1*
Former Wastewater Treatment Plant	Sewage Treatment	3/0	40	Every 5 feet	24	0
Supply Well #5	Groundwater Aquifer	NA	NA	NA	0	1
Total		20		NA	145	17

* SCS will collect a water sample if water is present in the basin.

NA: Not applicable

Drilling and Installation of Groundwater Monitoring Wells

SCS proposes to use a direct-push drill rig to advance 20 soil borings at selected locations at the Site. Direct-push drill rods approximately 2.25 inches in diameter containing clear acetate sleeves will be used for sample collection. An attempt will be made to advance seven (7) of the soil borings to groundwater. Based on our experience at the Site, groundwater is anticipated to be encountered in the shallow aquifer at approximately 20 to 25 feet at the nozzle test area and as shallow as 3.5 feet bgs and greater than 25 feet bgs at the runway crash area.

Please note that while we will attempt to achieve our target depths, we may not be able to do so due to drilling “refusal” from rocks or the hardness/resistance of the soils. Because a “direct-push” drilling method is anticipated, soil cuttings will not be generated from the drilling. The borings to be completed as soil borings only will be backfilled with hydrated bentonite granules or grout. The drilling activities are expected to take approximately one week to complete, assuming boring locations are readily accessible.

Access to certain PFAS investigation areas may be limited during the day due to airport operations. Because of this some of the drilling and sampling activities for the PFAS investigation may need to be conducted at night.

In borings to be completed as groundwater monitoring wells, the wells will be constructed using a pre-pack well product. Due to varying depths to groundwater, we anticipate installing 10 to 15 feet of 0.020-inch screened casing from the total depth of each boring, and completing the casing interval with blank casing. Please note that where the groundwater table depth is uncertain, a longer screened interval might be installed. An appropriately graded sand filter pack will be included around the well screened interval, and an appropriate well seal will be included above the screened interval. The well will be completed with a traffic-rated road box set in a concrete apron in accordance with current SBCPHD guidelines.

Please note that while we will attempt to achieve our target depths, we may not be able to do so due to drilling “refusal” from rocks or the hardness/resistance of the soils.

Well Survey

After completion, all new Site monitoring wells will be surveyed by a licensed land surveyor to allow for an accurate estimate of groundwater elevation and gradient in accordance with state of California regulations. SCS understands that the Client will arrange for surveying of the wells. Therefore, this proposal does not include budget for surveying.

Investigation Derived Waste

Investigation derived waste (IDW), including any soil cuttings, purge water, and decontamination rinsate generated from the well installation activities will be placed into 55-gallon drums which will be labeled and left on-site pending receipt of analytical results and evaluation of disposal options. SCS anticipates the drums from the various locations investigated will be transported to a central drum storage location determined by airport personnel. SCS anticipates approximately eight (8) drums will be generated during this scope of work.

Sampling Procedures

Soil Sampling Procedures

Up to twenty (20) borings will be advanced during this Assessment. In each boring, soil samples will be collected for logging purposes at approximate 5-foot intervals and at significant geologic contacts identified in the field, and at the field-interpreted water table. Additional soil samples may be collected at other appropriate depths based on the professional judgment of the on-Site SCS representative. Direct-push drill rods containing clear acetate sleeves will be used for sample collection. Once collected, soil samples will be transferred into laboratory supplied high-density polyethylene (HDPE) jars for transport to the laboratory. Sampling personnel will thoroughly wash their hands and put on clean powderless nitrile gloves before collecting samples, handling sample

containers, and handling sampling equipment. The soil sampling equipment will be decontaminated on-Site between soil samples to minimize the likelihood of “cross-contaminating” the samples and to minimize the potential for a “false positive.”

The soil sample containers will be immediately sealed, labeled, and packed in ice-filled coolers for delivery to a laboratory for analysis. Up to 133 soil samples will be collected and sent to a state-certified laboratory to be analyzed for PFAS contaminants in compliance with Department of Defense (DoD) Table B-15 of Quality Systems Manual (QSM),. Chain-of-custody procedures will be implemented for sample tracking. A written analytical report will be provided by the laboratory upon completion of the sample testing. The work conducted at the Site will be overseen by a California state-registered Professional Geologist. Soil samples will be described in general accordance with the Unified Soil Classification System.

All soil sampling, sample labeling, and sample packaging procedures will be conducted per the PFAS Sampling Guidelines. Additionally, the PFAS Sampling Guidelines include specific decontamination procedures that will be followed during sampling activities.

Groundwater Sampling Procedures (Monitoring Wells)

Groundwater monitoring wells will be purged and sampled using a low-flow peristaltic or, if necessary, a low-flow bladder pump and HDPE tubing. Sampling personnel will thoroughly wash their hands and put on clean powderless nitrile gloves before collecting samples, handling sample containers, and handling sampling equipment. Clean, unused HDPE tubing will be used for sample collection at each groundwater monitoring well and tubing will be disposed of at the completion of sampling activities at each well. Peristaltic pumps do not require decontamination because sample media does not come in direct contact with any of the pump components. If a bladder pump is required due to depth of groundwater, bladders will be discarded and the pump will be decontaminated between samples. Special consideration will be taken regarding hand cleanliness and glove changing to minimize the likelihood of “cross-contaminating” the samples and to minimize the potential for a “false positive.” The purging and groundwater sampling will be conducted in general accordance with the PFAS Sampling Guidance.

Before sampling, groundwater will be purged and monitored for water quality in order to facilitate collecting a representative groundwater sample. Purged groundwater will be pumped through a flow-through cell of known volume containing the probe assembly of a calibrated water-quality meter capable of measuring pH, dissolved oxygen, conductivity, salinity, total dissolved solids, temperature, turbidity, and oxidation/reduction potential. Upon completion of purging, the water-quality meter probe assembly and associated low-flow cell interior will be disconnected and decontaminated. Groundwater samples will be collected directly from the dedicated HDPE tubing at each well and will be collected directly into laboratory-supplied sample HDPE bottles for transport to the laboratory. Up to 17 groundwater samples will be collected from the groundwater monitoring wells.

Groundwater sampling activities, sample labeling, sample packaging, sample tracking, and decontamination procedures will be conducted in general accordance with the PFAS Sampling Guidelines.

Groundwater Sampling Procedures (Supply well)

City supply well #6 will be sampled directly from a faucet located at the well in order to avoid the use of any sampling equipment. This will minimize the likelihood of “cross-contaminating” the sample and minimize the potential for a “false positive.” The sample will be collected directly into laboratory-supplied HDPE bottles and the sample bottles will be immediately sealed, labeled, and packed in ice-

filled coolers for delivery to a laboratory for analysis. The samples will be sent to the lab to be analyzed for PFAS in accordance with Department of Defense (DoD) Table B-15 of Quality Systems Manual (QSM). Chain-of-custody procedures will be implemented for sample tracking. A written analytical report will be provided by the laboratory upon completion of the sample testing.

All groundwater sampling activities, sample labeling, sample packaging, and decontamination procedures will be conducted per the PFAS Sampling Guidelines.

Surface Water Sampling (Basin A and C)

If water is present in Drainage Basin A and C, a surface water grab sample will be collected below the surface of the water at a depth judged to be representative of bulk surface water (if present). SCS will attempt to collect samples toward the middle of the water column or at a depth of approximately 1 foot below the surface, based on site conditions. The sample will be collected directly into a laboratory-supplied HDPE bottle. The sample bottle will be immediately sealed, labeled, and packed in ice-filled coolers for delivery to a laboratory for analysis.

Surface water sampling activities, sample labeling, sample packaging, sample tracking, and decontamination procedures will be conducted per the PFAS Sampling Guidelines.

Field Quality Control Samples

Field quality control samples will be collected due to the abundance of material that contain PFAS and high potential for cross contamination and false positives. Field quality control samples include field duplicates, field blanks, equipment blanks, and trip blanks.

SCS will collect the following field quality control samples during the supplemental PFAS investigation at the Site:

- Field duplicate samples will be collected from one of the groundwater wells and the supply well. Additionally, one replicate soil sample will be collected per 20 soil samples collected per day; SCS expects up to 5 replicate soil samples total.
- One (1) field blank sample per day of sampling activities.
- Two (2) equipment blank samples. One will be collected by pouring laboratory-supplied PFAS-free water over decontaminated soil sampling equipment into a laboratory-supplied HDPE sample container. The second will be collected by pumping laboratory-supplied PFAS-free water into a laboratory-supplied HDPE sample container using the peristaltic pump and unused HDPE tubing.
Note: If a bladder pump is required for groundwater sampling, an additional equipment blank will be collected by pumping laboratory-supplied PFAS-free water into a laboratory-supplied HDPE sample container using the bladder pump.
- One (1) trip blank sample per ice chest.

Decontamination Procedures

Decontamination of sampling equipment will be conducted in general accordance with the PFAS Sampling Guidelines.

TASK 3 LABORATORY ANALYSIS

The soil and groundwater samples collected will be submitted to a state-accredited laboratory for analysis for the minimum list of 23 PFAS analytes required in the Order using Department of Defense (DoD) Table B-15 of Quality Systems Manual (QSM).

The standard hold time for samples pending PFAS analysis is 14 days. Soil samples are required to have a minimum sample volume of 5 grams for PFAS analysis, and groundwater samples are required to have a minimum volume of 250 milliliters.

TASK 4 REPORTING

A PFAS Sampling and Analysis Report (Report) will be prepared and submitted to the RWQCB via Geotracker upload. The Report will include the following components, required by the Order:

- A description of the sampling activities
- A summary table of analytical results
- A copy of the Chain of Custody
- A copy of the field sampling logs
- A copy of the site map showing the sampling locations
- A copy of laboratory analytical results of the monitored media
- Publicly available analytical testing information from City well #10 and other available supply wells, as appropriate
- Available well construction details for City supply wells #5, #6, and #10, and the agricultural supply wells in the western portion of the airport, if available

The Report will be peer reviewed and signed by a registered Professional Geologist.

Appropriate steps will be taken to adhere to the state regulations (pursuant to AB2886) by submitting the laboratory data and reports to the SWRCB Geotracker database in electronic delivery format.

TASK 5 AS-NEEDED PROJECT MANAGEMENT, CLIENT CORRESPONDENCE, AND REGULATORY LIAISON

This task includes SCS project management as well as Client and regulatory agency correspondence, meetings, and liaison. Upon approval we can also do as-needed work for an agreed upon amount on an hourly time and materials basis as required or directed by you.

4.0 PROFESSIONAL STAFF

Our project team includes California-licensed Professional Geologists, Hydrogeologists, and Engineers. The proposed work will be overseen by a State-registered Professional Geologist. Pursuant to State of California law, a PDF copy of the Report will be submitted to the SWRCB GeoTracker database for Water Board review and comment.

5.0 ESTIMATED SCHEDULE AND COSTS

We anticipate being able to start work on the project immediately upon receipt of the executed contractual documents. Please note that the above scope of work would typically take about eight to ten weeks to complete.

We have summarized the lump sum and estimated time and materials (T&M) costs for this scope of services in the table below:

Description	Cost Basis	Costs
Task 1 - Preparation for Fieldwork	Lump Sum	\$11,590
Task 2 - Soil and Groundwater Sampling	T&M	\$70,500
Task 3 - Laboratory Analysis	T&M	\$69,500
Task 4 - Assessment Report Preparation	Lump Sum	\$7,500
Task 5 - As-Needed Project Management, Client Correspondence, and Regulatory Liaison	T&M	\$5,000
Estimated Project Total		\$164,090

Compensation described herein shall be subject to renegotiation, if authorization to proceed has not been given within 30 days of the date of the Agreement of Services. We propose to perform our services and invoice, in accordance with the enclosed Contract, Fee Schedule, and Conditions of Service. The project schedule is subject to change based on permit approval from the Santa Barbara County Public Health Department, subcontractor availability, and other potential delays that may not be anticipated.

If we may assist you in any way, please do not hesitate to call us. We look forward to working with you on this important project.

Sincerely,



Chuck Houser, PG, CEG, CHg
Project Manager
SCS ENGINEERS



Chris Crosby
Project Manager
SCS ENGINEERS

Enclosures

Upon acceptance and execution of this Proposal, this document will serve as an Exhibit to the previously executed Client Consulting Agreement (Contract) between SCS and the Client. The Client should sign this Exhibit and return a copy to us. Upon our countersignature, one fully executed Exhibit will be returned to you for your records.

Signature of SCS Representative

Signature of Client Representative

Printed Name

Printed Name

Title

Title

Date

Date

01219192

Project Number

00

Exhibit Number

RESOLUTION NO. 928

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT EXPRESSING APPRECIATION TO CARLA OSBORN FOR SERVICE AS AN EMPLOYEE OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT

WHEREAS, the Board of Directors of the Santa Maria Public Airport District wishes to take the opportunity to extend its deep appreciation to Carla Osborn for her, valued contributions, and exemplary service as the Operations Officer for the Santa Maria Public Airport District from October 2013 through November 2023; and

WHEREAS, the Board acknowledges and appreciates Ms. Osborn's dedication, and her ability to work effectively with Airport tenants, and staff, and citizens of the District; and

WHEREAS, during her tenure as Operations Officer, Ms. Osborn patrolled the airport, monitored operations; provided security, safety, and emergency assistance, greeted, assisted, and provided information to the public in the performance of routine duties and special assignments; assured compliance with airport rules, regulations and ordinances; and

WHEREAS, during her employment, Ms. Osborn created a customized airport specific training program; and initiated a new badging system streamlining the process, and Ms. Osborn created a culture of safety and encouraged a team like atmosphere; and

WHEREAS, Ms. Osborn was extremely conscientious, and dependable and would adjust her schedule in order to supervise constructions projects during long night hours.

WHEREAS, Ms. Osborn maintained a pleasant, affable, and kind relationship with the staff of the Santa Maria Public Airport District, and tenants;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Maria Public Airport District, that the Board sincerely thanks Ms. Osborn for her contribution to the District as an excellent example of professionalism and dedication to duty.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of the Santa Maria Public Airport District held on November 9, 2023 by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Ignacio Moreno, President

David Baskett, Secretary

**FIRST AMENDMENT OF SERVICE AGREEMENT
(DESIGN, BIDDING, AND CONSTRUCTION PHASE SERVICES FOR
REHABILITATE PARALLEL AND CONNECTING TAXIWAYS, PHASE 1)
AT THE SANTA MARIA PUBLIC AIRPORT DISTRICT**

RE: By this Agreement, dated December 28, 2022 between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and TARTAGLIA ENGINEERING a sole proprietorship owned by John A. Smith, (herein called "Engineer"), District retains Engineer to perform certain engineering and design services.

The SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and TARTAGLIA ENGINEERING ("Engineer") agree to amend the Agreement effective November 9, 2023, as follows:

1. **TIME OF PERFORMANCE.** The time to complete the services is extended from September 30, 2023, to March 1, 2024.

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

Dated: **November 9, 2023**

DISTRICT:

Approved as to content for
District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

General Manager

Ignacio Moreno, President

Approved as to form for District

David Baskett, Secretary

District Counsel

ENGINEER:

TARTAGLIA ENGINEERING

John A. Smith, Principal

ASSIGNMENT OF LEASE

3117-C Liberator Street

The Assignment of Lease is made this ____ day of November, 2023, by and between **International Emergency Services, Inc.**, a California Corporation, hereinafter called "Assignor", and **James S. Bagnard**, Responsible Party, hereinafter called "Assignee".

Recitals

a. **WHEREAS**, Assignor and Santa Maria Public Airport District (hereinafter called "Landlord" or District") made and entered into a written Commercial Hangar/Building Space Lease dated December 11, 2014, for leased premises located at the SANTA MARIA PUBLIC AIRPORT, Santa Maria, California, hereinafter referred to as the "Original Lease". A true copy of the Lease is marked Exhibit "A", attached and incorporated herein in full by this reference. The Lease was modified by mutual agreement of the parties to the Lease on August 12, 2021, hereinafter referred to as the "Lease Amendment". A true copy of the First Amendment of Building Lease is marked Exhibit "B", attached and incorporated herein in full by this reference. The Original Lease and the Lease Amendment are hereinafter referred to collectively as the "Lease".

b. **WHEREAS**, Assignor is transferring its ownership to the Assignee and hereby requests the District to consent to an Assignment of the Lease.

NOW, THEREFORE, for adequate and legally valid consideration, the parties agree as follows:

Assignment

1. **Recitals.** The recitals set forth in this Agreement are true and correct and are incorporated by this reference.
2. **Effective Date of Assignment.** The Assignment shall be effective on November 9, 2023 ("Effective Date").
3. **Assignment.** As of the Effective Date, Assignor assigns and transfers to Assignee all right, title, and interest in the Lease.
4. **Assumption of Lease Obligations.** Assignee does hereby accept the foregoing assignment and assumes and agrees to perform in full and be bound by all the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor as the Tenant under the Lease, as of the Effective Date, including timely payment of any and all payments due to the Landlord or payable on behalf of the Tenant to Landlord under the Lease as they become due and payable. Assignee acknowledges that all terms and provisions of the Lease continue in full force and effect as to Assignee.
5. **Assignor's Covenants.** Assignor covenants that the copies of the Lease, attached hereto as Exhibit "A" and Exhibit "B" are true and accurate copies of said documents.
6. **Further Assignments.** Assignee shall not further assign or transfer any interest in the Lease and/or Leased Premises except as provided in Paragraph 33 of the Lease, as amended by the Lease Amendment.
7. **Litigation Costs and Attorney Fees.** In the event of any action or proceeding brought by either party against the other under or arising out of this Assignment of Lease, the prevailing party shall be entitled to recover all reasonable costs, expenses, expert witness expenses and attorneys' fees in such action or proceeding including costs of appeal, if any. In addition, should it be necessary for the District to employ legal counsel to enforce any of the provisions herein contained, Assignor and Assignee jointly agree to pay all District's attorneys' fees, costs, expenses and expert witness expenses

reasonably incurred.

8. **Indemnification.** Assignor indemnifies Assignee from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignor to fulfill Assignor's obligations under the Lease, and accruing with respect to the period on or prior to the date of this Assignment. Assignee indemnifies Assignor from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignee to fulfill Assignment. Assignor states that no other assignment by Assignor exists in connection with the Lease.
9. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.
10. **Modifications in Writing.** This agreement may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this Agreement.
11. **Successors and Assigns.** The Assignment shall be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.
12. **Governing Law.** This Assignment shall be governed by and construed in accordance with California law and litigation shall be filed and prosecuted in Santa Barbara County, North County Division, State of California.
13. **Notices.** Any notice required under this Agreement shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to the parties at the addresses below. Any party to this Agreement may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery. Any notice that is required to be given under paragraph 27 of the Lease to Assignor shall be sent to the Assignee at the address listed below:

ASSIGNOR: International Emergency Services, Inc.
3130 Skyway Drive
Suite 408
Santa Maria, CA 93458

ASSIGNEE: James S. Bagnard
1441 Ewing Avenue
Arroyo Grande, CA 93420

DISTRICT: Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

[This portion is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

Dated: _____ **Assignor:** _____
David Baskett, President
International Emergency Services, Inc.

Dated: _____ **Assignee :** _____
James S. Bagnard

14. Consent of Landlord. The undersigned, as Landlord under the Lease, hereby consents to this Assignment of Lease, from International Emergency Services, Inc., Assignor, to James S. Bagnard, Assignee. Landlord's consent to this assignment shall in no way be deemed a waiver of its rights under Paragraph 33 of the Lease, Assignment, Subletting, and Encumbering, to prohibit assignment in future.

Approved as to content for District:

Santa Maria Public Airport District
(District/Landlord)

General Manager

Ignacio Moreno, President

Approved as to form for District:

District Counsel

Michael B. Clayton, Vice Secretary

Dated: _____

EXHIBIT "A"

COMMERCIAL HANGAR/BUILDING SPACE LEASE

This Building Space Lease ("Lease"), executed December 11, 2014, is entered into by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "Landlord" or "District"), a public airport district of the State of California, and International Emergency Services, Inc. a California corporation (herein called "Tenant").

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

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

- a. **"Airport"** means the Santa Maria Public Airport at Santa Maria, California.
- b. **"FAA"** means the Federal Aviation Administration or its successor organization or department.
- c. **"Improvements"** include buildings, structures, fixtures, partitions, counters, and other property affixed to the realty in any manner.
- d. **"Leased Premises" or "Premises"** mean and include the commercial aviation unit located at 3117 "C" Liberator St, at the Santa Maria Public Airport, in the City of Santa Maria, State of California, as shown outlined in red on the plot plan marked Exhibit "A" attached hereto and made a part hereof, together with those appurtenances specifically granted in this Lease. The Premises include ramp area directly in front of each commercial aviation unit for sole purpose of parking up to one (1) aircraft per commercial aviation unit as long as access to other hangars is not blocked or aircraft or vehicle traffic impeded.
- e. **"Movement Area"** means the runways, taxiways and other areas of the Airport, which are used for taxiing or hover taxiing, air taxiing, takeoff and landing by aircraft.
- f. **"Party" or "parties"** mean the District and/or Tenant.

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

3. **Month-To-Month Term.** The term of this Lease shall be on a month-to-month basis, commencing December 12, 2014, and may be terminated by either party on thirty (30) days' written notice to the other.

4. **Rent.** Tenant shall pay to District as monthly rent, the sum of \$717 (2,475 Sq ft X \$0.2896) on the first day of each calendar month, without prior notice, demand, deduction or offset, at District's office at 3217 Terminal Drive, or such other address as District may direct Tenant in writing. Rent for partial month occupancy shall be prorated.

5. **Security Deposit.** Upon execution of this Lease, Tenant shall deposit with District \$1,434 as a security deposit for the performance by Tenant of the provisions of this Lease. If Tenant is in default, District can use the security deposit, or any portion of it, to cure the default or to compensate District for any damage sustained by District resulting from Tenant's default. Tenant shall immediately upon demand pay to District a sum equal to the portion of the security deposit expended or applied by District as provided in this section so as to maintain the security deposit in the sum initially deposited with District. If Tenant is not in default at the expiration or termination of this Lease, District shall return the security deposit to Tenant. District's obligations with respect to the security deposit are those of a debtor and not a trustee. District shall deposit and maintain the security deposit in an interest-bearing and federally insured account in the name of District with a bank or savings and loan association in Santa Maria, subject to withdrawal and retention by District of all or any part of the amount on deposit or accrued interest to cure the default of Tenant or to compensate District for all damage sustained by District resulting from Tenant's default. Interest on the security deposit required herein shall accumulate to the benefit of Tenant.

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

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

a. Office incidental to, and storage incidental to the following permitted aviation-related businesses conducted on the Premises and permitted pursuant to subparagraphs b-k, below (construction of any such office requires compliance with Paragraph 16).

b. Sales, repair and maintenance of aircraft and aircraft components, including but not limited to aircraft inspection, repair, refurbishment, component overhaul, and aircraft engine test operations.

c. Park automobiles of Tenant, its employees and invitees, outside the building, only in designated parking lots, or in areas designated in writing by District's General Manager for Tenant's use; provided, Tenant may park its portable test cell in the building.

d. Storage of aircraft owned by Tenant or under the care, custody or control of Tenant in connection with its permitted commercial aviation business. Subleasing for aircraft storage is prohibited.

- e. Sale of aircraft and aircraft parts, components and accessories.
- f. Rental and sales of aircraft.
- g. Flight instruction.
- h. Air taxi and on-demand aircraft charter services to the general public.
- i. Maintenance and renovation of airplane interiors and exteriors.

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

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

- a. Sale of gasoline or other fuels not dispensed by a third-party supplier.
- b. Spray painting within the building using flammable liquids or paints without proper, approved suppression and protection equipment and facilities, or in a manner which is prohibited by any applicable law, ordinance or governmental order or regulation or in a manner that does not meet the requirements of District's fire and liability insurance carriers.
- c. Park any vehicle within the building, except temporarily for the purpose of loading or unloading freight or passengers.
- d. Store any flammable liquids or substances or explosives within the building, except as may be authorized by District in writing and by the City of Santa Maria Fire Department, and except for aviation fuel in parked aircraft. Minor amounts of new lubricating engine oil, grease and similar combustible liquids necessary to the permitted uses will generally be permitted when stored in original Underwriters Laboratory listed containers.
- e. Use any portion of the Airport contrary to or in violation of the directives, rules or regulations of the District or the FAA or in such a manner which may interfere with the landing or taking off of aircraft from the Airport or otherwise constitute a hazard.
- f. Store on the Premises any property or articles or conduct any activities or operations which are not directly related or incidental to the permitted uses in Paragraph 7 of this Lease, or store any property outside the building.
- g. Use any paint stripping or aircraft finish removal process.
- h. Operation of rotary wing aircraft to or from Premises. Rotary wing aircraft will be towed to and from a "movement area" on the Airport.

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

j. Storage of aircraft for which a charge is made.

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

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

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

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

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

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

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

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

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

13. **Indemnity.** Tenant shall defend (with counsel acceptable to District), indemnify and hold harmless District, its directors, officers, employees, agents and representatives and the

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

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

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

b. Aircraft and airport operations insurance, including passengers, products and completed operations for each aircraft owned or operated by Tenant on the Airport, or manufactured or stored on the Premises, with a combined single limit for bodily injury and property damage of \$1,000,000 for each occurrence.

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

d. Hangar keeper's liability insurance coverage with limits of not less than \$500,000 for any one accident or occurrence with \$3,000 maximum deductible each accident or occurrence.

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

Tenant shall provide District with copies of all insurance policies and certificates issued by

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

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

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

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

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

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

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

20. **Repairs and Maintenance/Entry.** Except as otherwise provided herein, Tenant shall, at Tenant's sole cost, keep and maintain the Premises and every part thereof in good and sanitary order, condition and repair. Tenant shall not make any repairs, which are the responsibility of District without District's prior written consent. Tenant waives all rights to make repairs at District's expense. Tenant shall keep the Premises, at Tenant's expense, clean and free from litter and dust at all times. District will, at District's expense, repair and maintain the roof, exterior walls and doors of the Premises. District's obligation to maintain does not include any damage or changes caused by Tenant or Tenant's employees, contractors or invitees. District and the utility companies shall have the right to enter the Premises for the purposes of inspection, installation, and repair of utility facilities. District and authorized agents of District shall have the right to enter the Premises at all reasonable times for the purpose of inspecting or repairing the same or at any time in case of an emergency.

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

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

23. **Damage or Destruction.**

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

b. **Total Destruction - Uninsured Loss.** If (i) the Premises or any portion thereof are damaged or destroyed by fire or other cause and are thereby rendered wholly untenable or are more than fifty percent (50%) damaged or destroyed, or (ii) the damage or destruction of the Premises is not covered by insurance, then, in either event, District, if District so elects, may repair or rebuild the building within a reasonable time after such destruction or damage, or District may give notice terminating this Lease as of a date not later than thirty (30) days after such damage or destruction. If District elects to repair or rebuild the Premises, District shall, within thirty (30) days after such damage or destruction, give Tenant notice of District's intention to repair or rebuild and shall proceed with reasonable speed to make the repairs or to rebuild. Unless District elects to terminate this Lease, this Lease shall remain in full force and effect, and the parties waive the provision of any law to the contrary. If there should be a substantial interference with Tenant's business, a just and proportionate part of the rent shall be abated from the fifteenth day following the damage or destruction until the Premises are repaired or rebuilt, unless the damage or destruction is attributable to Tenant, its successors or assigns, its employees, agents, representatives, invitees or customers. In the event of termination under this subparagraph, rent will be prorated to the date of termination and surrender of possession of the Premises to District.

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

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

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

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

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

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

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

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

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

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

d. Any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease, or which in the

ordinary course of things would be likely to result therefrom; and

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

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

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

27. **Notices.** All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and the Tenant at 3130 Skyway Drive, Suite 408, Santa Maria, CA 93458. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

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

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

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

31. **Vehicles.** Any motor vehicles of Tenant permitted to operate on any aircraft

movement area at the Airport shall be equipped with two-way radios capable of two-way communication with the control tower at the Airport.

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

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

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

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

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

37. **General.**

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

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

c. This Lease and Tenant's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights of way, and encumbrances

affecting the Premises now of record or hereafter granted, caused or suffered by District.

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

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

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

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

38. **Aircraft Engine Run-ups and Repair and Maintenance.** District may impose restrictions on Tenant to observe the following provisions relating to engine run-ups of aircraft on the Premises and at the Airport:

a. Full power engine run-ups for other than immediate flight operations shall be prohibited between the hours of 10:00 p.m. and 7:00 a.m. local time.

b. Except for emergencies, Tenant agrees that Tenant will not operate any rotary wing aircraft at the airport between the hours of 10:00 p.m. and 7:00 a.m. local time.

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

40. **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.

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

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

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

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

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


IN WITNESS WHEREOF, the parties have executed this Lease.

Approved as to content for District:



General Manager

Approved as to form for District:



District Counsel

DISTRICT:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: 

, President

By: 

, Secretary

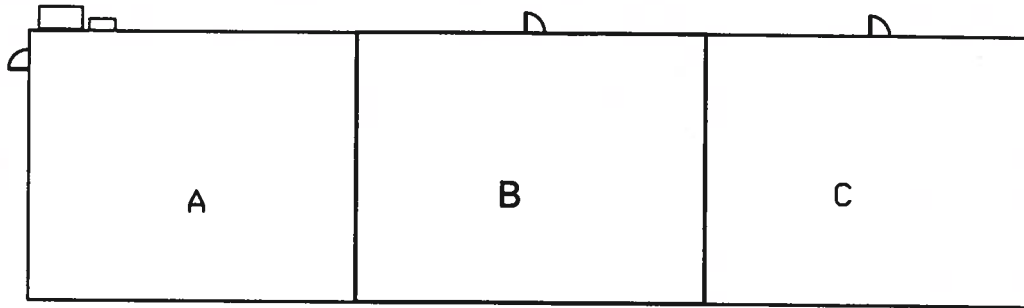
TENANT:



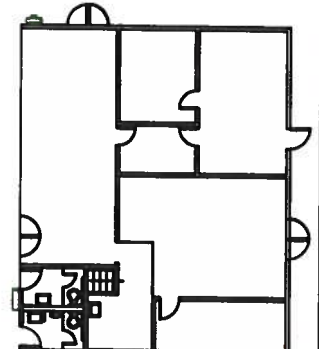
a _____

By: _____

By: _____
Secretary



3115
AIRPARK DR.



2475
SF.
C

Total sf. 2,475

3117
LIBERATOR ST



X:\Drawings\AutoCad\LEASES\3117-C.dwg



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

REVISIONS	
DATE	BY
3/18/08	RSI

DRAWN BY:
RSI

APPROVED
BY: _____
DATE: _____

EXHIBIT - A
3117 - C AIRPARK
LIBERATOR ST.

DRAWING NUMBER
3117-C AIRPARK

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

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

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

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

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

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

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

(vii) without limitation which contains polychlorinated biphenols (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 "B"

FIRST AMENDMENT OF BUILDING LEASE

RE: This Building Space Lease ("Lease"), dated December 11, 2014, between the SANTA MARIA PUBLIC AIRPORT DISTRICT and International Emergency Services, Inc. for a building located at 3117 C Liberator Drive.

The SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and International Emergency Services, Inc. ("Tenant") hereby agree to amend the Lease effective August 12, 2021, as follows:

1. Paragraph 33. **Assignment Subletting and Encumbering** is deleted in its entirety and the following is substituted in its place:

33. **Assignment. Subletting and Encumbering.** Tenant shall not assign, mortgage, encumber or grant control of this Lease or any interest, right or privilege herein or sublet the whole or any part of the Premises or license or grant concessions for use of the Premises or any part thereof without the prior written approval of the District. Any such assignment, mortgage, encumbrance, transfer, sublease, permit, license or concession without prior written of the District shall be void and, at the option of District, shall terminate this Lease.

Dated: August 12, 2021

SANTA MARIA PUBLIC AIRPORT DISTRICT

Approved as to content for District:



General Manager

By: 
Steven Brown (Aug 17, 2021 09:00 PDT)

Steven Brown, President

Approved as to form for District:



District Counsel

By: 
Hugh Rafferty (Aug 17, 2021 09:37 PDT)

Hugh Rafferty, Secretary

TENANT:


David E. Baskett (Aug 17, 2021 11:16 PDT)

David Baskett, President












1st Amendment

Final Audit Report

2021-08-17

Created:	2021-08-16
By:	Kerry Fenton (kfenton@santamariaairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAugvZwl1jNX6laSAZrBJa9qeSVEYFbyu

"1st Amendment" History


-  Document created by Kerry Fenton (kfenton@santamariaairport.com)
2021-08-16 - 11:54:00 PM GMT- IP address: 50.216.198.146
-  Document emailed to Chris Hastert (chastert@santamariaairport.com) for signature
2021-08-16 - 11:54:48 PM GMT
-  Email viewed by Chris Hastert (chastert@santamariaairport.com)
2021-08-17 - 0:08:46 AM GMT- IP address: 50.216.198.146
-  Document e-signed by Chris Hastert (chastert@santamariaairport.com)
Signature Date: 2021-08-17 - 3:42:29 PM GMT - Time Source: server- IP address: 50.216.198.146
-  Document emailed to Steven Brown (sbrown@santamariaairport.com) for signature
2021-08-17 - 3:42:31 PM GMT
-  Email viewed by Steven Brown (sbrown@santamariaairport.com)
2021-08-17 - 3:59:41 PM GMT- IP address: 174.194.128.122
-  Document e-signed by Steven Brown (sbrown@santamariaairport.com)
Signature Date: 2021-08-17 - 4:00:36 PM GMT - Time Source: server- IP address: 174.194.128.122
-  Document emailed to Hugh Rafferty (hugh.rafferty@santamariaairport.com) for signature
2021-08-17 - 4:00:37 PM GMT
-  Email viewed by Hugh Rafferty (hugh.rafferty@santamariaairport.com)
2021-08-17 - 4:36:52 PM GMT- IP address: 67.188.135.89
-  Document e-signed by Hugh Rafferty (hugh.rafferty@santamariaairport.com)
Signature Date: 2021-08-17 - 4:37:24 PM GMT - Time Source: server- IP address: 67.188.135.89
-  Document emailed to Joshua M George (george@ammcglaw.com) for signature
2021-08-17 - 4:37:26 PM GMT

 Email viewed by Joshua M George (george@ammcglaw.com)


2021-08-17 - 4:37:59 PM GMT- IP address: 174.87.84.26

 Document e-signed by Joshua M George (george@ammcglaw.com)

Signature Date: 2021-08-17 - 4:38:20 PM GMT - Time Source: server- IP address: 174.87.84.26

 Document emailed to David E. Baskett (dbaskett@santamariaairport.com) for signature


2021-08-17 - 4:38:22 PM GMT

 Email viewed by David E. Baskett (dbaskett@santamariaairport.com)

2021-08-17 - 6:14:47 PM GMT- IP address: 66.249.84.57

 Document e-signed by David E. Baskett (dbaskett@santamariaairport.com)

Signature Date: 2021-08-17 - 6:16:04 PM GMT - Time Source: server- IP address: 172.58.22.138

 Agreement completed.

2021-08-17 - 6:16:04 PM GMT

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
www.sblafco.org ♦ lafco@sblafco.org

November 1, 2023

TO: Members of the Independent Special District Selection Committee

SUBJECT: Nominations for one Regular and one Alternate Special District Member to Santa Barbara LAFCO;

CALL FOR NOMINATIONS FOR AND NOTICE OF ELECTION FOR LAFCO

REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBERS

This is a Call for Nominations of one Regular and one Alternate Special District Member to serve as the special district members on LAFCO. It is recommended that this be placed on your Board's Agenda. The Committee is made up of the presiding officer of each district; however, if a presiding officer is unable to participate, a district board may appoint one of its members as an alternate to participate in the presiding officer's place, a copy of the meeting minutes showing the appointment needs to be presented along with your nomination form.

A Nomination Form is attached and must be filled out and signed by the presiding officer of a district or, if that person is unable to participate, then by his or her alternate as designated by the district board. (See GC § 56332.) Nominations are requested by no later than January 4, 2024.

1. **Nominations for the one LAFCO Regular and one Alternate Special District Member.** The current term of office of the current Regular Special District Member and the Alternate Special District Member ends on March 1, 2024. The term of office shall be four years or until the appointment and qualification of his or her successor. The new term of office ends on March 1, 2028.
2. **Voting Requirements.** The Independent Special District Selection Committee consist of the presiding officer of the legislative body of each independent special district. If the presiding officer of an independent special district is unable to participate in the nomination process or an election, the legislative body of the district may appoint one of its members as an alternate to participate in the presiding officer's

place. A copy of the meeting minutes showing the appointment needs to be presented along with your nomination form and future ballot.

3. **Nomination Period and Voting Period.** The Nomination Period will end on January 4, 2024. Following the nomination period, unless there is only one nominee for a seat, ballots containing the names of qualified nominees will be mailed to each eligible special district. The voting period will be up to 45-days.
4. **Quorum; Majority Vote; Possible Runoff Election.** There are 39 special districts. For the election to be valid, at least 20 valid votes must be received. Election shall be by a majority of those voting, and not by plurality. In the event that a nominee does not receive a majority of votes cast, a runoff election shall be held between the two nominees receiving the highest number of votes.

Notice: There will be no election if pursuant to Government Code section 56332(c)(2), “[at] the end of the nomination period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed” to the Commission.

Nominations for one Regular Special District Member and one Alternate Special District Member should be submitted to the LAFCO Executive Officer, at the following address, faxed, or emailed by **January 4, 2024** Nomination Forms are attached to this notice.

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street, Santa Barbara CA 93101
FAX 805/568-2249
Email Address: lafco@sblafco.org

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer

Enc.

**SANTA BARBARA
LOCAL AGENCY FORMATION COMMISSION**

<p style="text-align: center;">NOMINATION FOR <u>REGULAR</u> SPECIAL DISTRICT MEMBER</p> <p style="text-align: center;"><i>Return to:</i> Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 or FAX to (805) 568-2249 or email to lafco@sblafco.org</p>	<p>LAFCO STAFF USE</p> <p>Date Received: _____</p>
---	---

Please print in ink or type

POSITION SOUGHT:	Regular Special District Member
-------------------------	---------------------------------

NAME OF NOMINEE: _____
NOMINEE'S DISTRICT: _____
MAILING ADDRESS: _____ _____
π Phone: Bus. _____ Cell: _____

<p>SIGNATURE OF NOMINATOR:</p> <p>_____ Name of Independent Special District</p> <p>_____ Signature</p> <p>_____ Print Name</p> <p>Nominator Title (please check one)</p> <p><input type="checkbox"/> Presiding Officer of the Special District Board</p> <p><input type="checkbox"/> Presiding Officer's alternate as designated by Special District Board to vote or make a nomination in this election. (Gov. Code sec. 56332.)</p> <p>Date: _____</p>
--

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

**SANTA BARBARA
LOCAL AGENCY FORMATION COMMISSION**

<p style="text-align: center;">NOMINATION FOR <u>ALTERNATE</u> SPECIAL DISTRICT MEMBER</p> <p style="text-align: center;"><i>Return to:</i> Executive Officer Santa Barbara LAFCO 105 East Anapamu Street, Room 407 Santa Barbara CA 93101 or FAX to (805) 568-2249 or email to lafco@sblafco.org</p>	<p>LAFCO STAFF USE</p> <p>Date Received: _____</p>
---	--

Please print in ink or type

POSITION SOUGHT:	Alternate Special District Member
-------------------------	-----------------------------------

NAME OF NOMINEE: _____

NOMINEE'S DISTRICT: _____

MAILING ADDRESS:

π
Phone: Bus. _____ Cell: _____

SIGNATURE OF NOMINATOR:

Name of Independent Special District

Signature

Print Name

Nominator Title (please check one)

Presiding Officer of the Special District Board

Presiding Officer's alternate as designated by Special District Board to vote or make a nomination in this election. (Gov. Code sec. 56332.)

Date: _____

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

Project: EMS Build-Up Facility
APN: 111-231-011
(portion)
Folio No.: 004069
Agent: AH

LICENSE AGREEMENT
County Code 12A-11

THIS LICENSE AGREEMENT (hereinafter "Agreement") is made by and between the

SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT, a dependent special district of the County of Santa Barbara, a political subdivision of the State of California, hereinafter referred to as "COUNTY FIRE",

and

THE MALDONADO COMPANIES LLC, a California limited liability company, hereinafter referred to as "LICENSOR",

with reference to the following:

WHEREAS, the Santa Maria Public Airport District ("LESSOR") is the owner of the certain real property located at 3335 Corsair Circle, Santa Maria, California 93455, identified as Santa Barbara County Assessor Parcel Number 111-231-011, shown as the cross-hatched area on Exhibit A, attached hereto and incorporated herein by reference ("Property"); and

WHEREAS, the LESSOR has entered into a ground lease with the LICENSOR for use of a portion of the Property which portion of the Property is improved with and includes a two-story building with an address of 3820 S. Blosser Road, Santa Maria, CA 93455, and totaling approximately 24,290 square feet ("Building") and a parking lot; and

WHEREAS, COUNTY FIRE and LICENSOR wish to enter into a License Agreement ("Agreement") for the exclusive use of 18,262 square feet of the Building, comprising of the first-floor corporate office, hangar, and special purpose shop rooms, as indicated by the shaded area depicted on Exhibit "B, attached hereto and incorporate herein by reference ("Premises"); and

WHEREAS, LICENSOR represents and warrants that it has the authority to sublicense the Property. If at any time LICENSOR does not have the authority to enter into this Agreement the Agreement shall be terminated and the deposit shall be returned to COUNTY FIRE, along with any License Fee, prorated for the remainder of the Term; and

WHEREAS, LICENSOR and COUNTY FIRE (each a "Party" and, collectively the "Parties") desire to enter into this Agreement for the purpose of licensing the Premises to COUNTY FIRE, to be used by COUNTY FIRE for the storage, fabrication, and build-up of new ambulances.

NOW, THEREFORE, in consideration of the promises, covenants, and conditions

contained herein, the parties agree as follows:

1. **ADMINISTRATION AND ENFORCEMENT:** The provisions of this Agreement shall be administered and enforced for COUNTY FIRE by the Chief of Santa Barbara County Fire Protection District, ("Chief") or the Chief's designee.

2. **RIGHTS GRANTED:** LICENSOR hereby grants to COUNTY FIRE an exclusive right to use Premises, consisting of the first-floor corporate office, hangar, and special purpose shops as designated on Exhibit "B" but excluding the second floor corporate office, shipping and receiving office, and 1,500 square feet of hangar.

3. **PURPOSE AND USE:** COUNTY FIRE shall have restricted use of the Premises for an aviation hangar and a repair shop, which shall include the use of the offices on the first floor of the Premises. COUNTY FIRE shall use the Property solely for the purpose of storing, fabricating, and build-up of new ambulances during the term of this Agreement. COUNTY FIRE shall not use Property for any other purposes without the express written consent of LICENSOR.

4. **TERM:** The entire term of this Agreement shall be for sixty (60) days, ("Term") commencing on November 8, 2023, ("Commencement Date"), and terminating on January 7, 2024, and may be renewed for additional periods by the mutual written consent of both parties, not to exceed a total of five years.

5. **RETROACTIVE EFFECT:** LICENSOR and COUNTY FIRE have executed the Agreement to be effective as of the date executed by the COUNTY FIRE, but intend and agree that, to the extent permitted by law, all of the provisions of this Agreement shall be effective as of November 1, 2023, with the same force and effect as if executed on that date

6. **LICENSE FEE AND SECURITY DEPOSIT:** As consideration for this Agreement, COUNTY FIRE agrees to pay a sum of SEVEN THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$7,500.00) per month ("License Fee"). License Fee shall provide for aforementioned Section 3. **PURPOSE AND USE**, including utilities and all other expenses for term of this License.

In addition, COUNTY FIRE agrees to pay a security deposit of SEVEN THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$7,500.00), hereinafter referred to as "Security Deposit".

The combined total of License Fee and Security Deposit equates to a sum total of TWENTY-TWO THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$22,500.00) (FIFTEEN THOUSAND DOLLARS AND NO CENTS (\$15,000.00) plus Security Deposit, SEVEN THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$7,500.00). Sum total shall be paid within seven (7) business days of Commencement Date and shall be made payable to THE MALDONADO COMPANIES LLC at the address stated in Section 21. **NOTICES**

7. **SITE SUITABILITY:** COUNTY FIRE has investigated the Premises and has determined that it is suitable for COUNTY FIRE'S intended operations and therefore, COUNTY FIRE hereby accepts, by way of executing this Agreement, the Premises in its existing condition.

COUNTY FIRE ACKNOWLEDGES THAT, EXCEPT AS STATED HEREIN, LICENSOR HAS MADE NO REPRESENTATIONS OR WARRANTIES ABOUT THE CONDITION OF THE PREMISES, OR THE SUITABILITY OF SAME FOR THE INTENDED USE BY COUNTY FIRE.

8. **UTILITIES:** LICENSOR shall provide and pay the following utilities, supplies, and services: water, sewer, electricity, gas, garbage removal COUNTY FIRE shall arrange and pay for telephone and internet services for the Premises. There are no Common Area Expenses associated with this License.

9. **MAINTENANCE AND REPAIR:** LICENSOR shall keep, repair, operate, and maintain the Premises, Building, and Property in good order, condition, and repair, in compliance with all applicable laws, statues, and ordinances, including, without limitation, the foundation, exterior walls, structural systems floors, columns, beams, shafts, stairs, roof, gutters,

flashings, downspouts, windows, doors, plate glass, any common areas, any capital repairs or improvement, and the utility facilities, systems, and lines serving the Premises, Building, and Property. COUNTY FIRE shall be responsible for making any repairs to the Premises due to its own negligence. LICENSOR, at its sole cost, shall be responsible for any repairs to the Premises resulting from any act or omission of LICENSOR, its agents, contractors, licensees, or employees. Notwithstanding anything to the contrary in this Section.

10. **ASSIGNMENT/SUBLICENSE:** COUNTY FIRE shall not assign, license, or sublicense the Premises or any part thereof or any right or privilege appurtenant thereto without LICENSOR'S written consent, which consent shall not be unreasonably withheld. Any attempt to assign, license or sublicense LICENSOR'S rights under this Agreement without COUNTY FIRE'S prior written consent shall be void and without legal effect.

11. **ABANDONMENT:** COUNTY FIRE shall not abandon, vacate, or surrender its use of Premises at any time during the term of this Agreement. If COUNTY FIRE does abandon, vacate or surrender use of County Conduit Facilities, this Agreement and all of LICENSEE'S rights thereto shall, at COUNTY FIRE'S option, terminate after notice and the right to cure as provided in Section 14, **REMEDIES**. COUNTY FIRE shall memorialize such termination via letter to LICENSEE.

12. **REMOVAL OF PROPERTY:** COUNTY FIRE, at COUNTY FIRE'S own expense, will remove all items and fixtures installed by COUNTY FIRE at the end of the Term. The Premises shall be returned to LICENSOR in the same basic condition as at the commencement of the Term, ordinary wear and tear, damage by casualty (unless such casualty is caused by the gross negligence or wrongful act of COUNTY FIRE), and damage caused by the LICENSOR excepted.

13. **DEFAULT:** LICENSOR shall provide written notice to COUNTY FIRE of any default by COUNTY FIRE of its obligations and requirements under this Agreement, and COUNTY FIRE shall have thirty (30) days after receipt of such notice to cure said default, provided, however, that if such default cannot be cured within said thirty (30) day period, COUNTY FIRE will have such longer period as may reasonably be necessary to cure said default provided, further, that COUNTY is diligently proceeding in good faith to cure the default.

14. **REMEDIES:** In the event of a default or breach, either party may exercise any right or remedy at law or in equity which such party may have by reason of such default or breach including, but not limited to the following:

- A. The non-defaulting party may waive the default or breach in accordance with Section 15. **WAIVER**, herein below;
- B. The non-defaulting party may maintain this Agreement in full force and effect, and recover whatever monetary loss(es) may have resulted from such default or breach;
- C. Where LICENSOR is the non-defaulting party, LICENSOR may terminate this Agreement and COUNTY FIRE shall vacate within forty-five (45) calendar days of written notice from LICENSOR.
- D. Where COUNTY FIRE is the non-defaulting party, COUNTY FIRE may terminate this Agreement and surrender use of the Premises.

15. **WAIVER:** It is understood and agreed that any waiver, express or implied, of any term of this Agreement or any default or breach of this Agreement shall not be deemed to be a waiver of any continuing or subsequent default or breach of any other provision of this Agreement. Waivers of provisions of this Agreement must be in writing and signed by that party's respective designee under Section 1. **ADMINISTRATION AND ENFORCEMENT**, of this Agreement.

16. **DESTRUCTION:** In the event of any damage by fire, water, or any other casualty affecting the Premises, COUNTY FIRE shall have the right to terminate this Agreement upon written notice to LICENSOR. In such event, pro-ration of License Fee and the Security Deposit paid by COUNTY FIRE to LICENSOR shall be refunded to COUNTY FIRE within 15 business days of such termination and delivery of possession of the Premises to LICENSOR.

17. **TERMINATION:** This Agreement shall terminate and all rights of COUNTY FIRE hereunder shall cease and COUNTY FIRE shall quietly and peacefully vacate the Premises pursuant to the following conditions:

- A. Upon abandonment, as provided in Section 11. ABANDONMENT; or
- B. Upon the failure of either party to satisfy, observe or perform any of the covenants or conditions set forth in this Agreement and the expiration of the cure period as provided in Section 13. DEFAULT; or
- C. As provided in Section 16. DESTRUCTION.

18. **SURRENDER OF FACILITIES:** Upon expiration or termination of this Agreement, COUNTY shall vacate and surrender possession of, and any claim to the Premises, leaving such facilities in good condition, except for ordinary wear and tear. COUNTY FIRE shall dispose of COUNTY FIRE'S items and fixtures as provided in Section 12, REMOVAL OF PROPERTY.

19. **INSURANCE:** From and after the date of COUNTY FIRE'S initial occupancy of the Premises and throughout the Term, COUNTY FIRE shall maintain in full force and effect a policy of commercial general liability and property damage insurance with respect to the Premises. LICENSOR shall provide COUNTY FIRE with the exact language for the additional insured interest(s). COUNTY FIRE'S insurance shall be not less than Two Million Dollars (\$2,000,000.00) per person and TWO MILLION DOLLARS (\$2,000,000.00) per accident, and in which the limit of property damage liability shall be equal to the full insurable replacement cost of the Premises. The deductible amount shall not exceed FIVE THOUSAND DOLLARS (\$5,000.00) per occurrence. Upon request COUNTY FIRE will furnish to LICENSOR a copy of said endorsement.

Throughout the Term, LICENSOR, at its cost, shall maintain in full force and effect a policy of commercial general liability and property damage insurance with respect to the portion of the Building and Property excluded from the Premises. LICENSOR'S commercial general liability and property damage insurance shall be not less than TWO MILLION DOLLARS (\$2,000,000.00) per person and TWO MILLION DOLLARS (\$2,000,000.00) per accident and in which limit of property damage liability shall be equal to the full insurable replacement cost of the portion of the Building and Property excluded from the Premises. The deductible amount shall not exceed FIVE THOUSAND DOLLARS (\$5,000.00) per occurrence. Throughout the Term, Landlord at its cost, also shall maintain in full force and effect a standard policy of "all risk" insurance with customary exclusions covering the Building in the full replacement cost of the Building. LICENSOR shall name COUNTY FIRE as an additional insured on such policies. COUNTY FIRE will provide LICENSOR with the exact language for the additional interest(s). Upon request, Landlord will furnish to Tenant a copy of said endorsements.

20. **INDEMNIFICATION:** Except for any liability arising out of the willful misconduct or negligence of LICENSOR, its employees, agents or contractors, COUNTY FIRE covenants to indemnify LICENSOR, and save it harmless, from and against any claims, actions, damages, liability or expense, in connection with the loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises, or the occupancy or use by COUNTY FIRE of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of COUNTY FIRE, its agents, contractors or employees. Except for any liability arising out of the willful misconduct or negligence of COUNTY FIRE, its employee, agents or contractors, LICENSOR covenants to indemnify COUNTY FIRE, and save it harmless, from and against any claims, actions, damages, liability or expense, in connection with the loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises, Building, and Property, or the occupancy or use by LICENSOR of the Building or Property or any part thereof, or occasioned wholly or in part by any act or omission of LICENSOR, its agents, contractors or employees.

21. **NOTICES:** Any notice to be given to either party by the other shall be in writing and shall be served, either personally or by registered or certified mail, to the following:

If to COUNTY FIRE: Santa Barbara County Fire Protection District
4400 Cathedral Oaks Road
Santa Barbara, CA 93110

Attn: Diane Sauer

e-mail: diane.sauer@sbcfire.com

Telephone: (805) 681-5500

with a copy to:

County of Santa Barbara
General Services/Real Property Division

1105 Santa Barbara Street, 2nd Floor

Santa Barbara, CA 93101

Attn: Real Property Manager

e-mail: realproperty@countyofsb.org

Telephone: (805) 568-3070

If to LICENSOR:

Maldonado Companies LLC

4651 Santa Maria Mesa Road

Santa Maria, CA 93454

Attn: Abel Maldonado Jr.

e-mail

Telephone: (805)

All notices hereunder shall be in writing and shall be deemed to have been given on the date delivered, if personally delivered, or if mailed, then on the first business day following the date on which it is mailed, by certified or registered mail, postage prepaid, addressed to the address specified above, or to such other address designated by the party as provided for herein.

22. NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION

PROVISIONS: COUNTY FIRE shall notify LICENSOR immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

23. ENVIRONMENTAL IMPAIRMENT: The parties shall comply in all material respects with all applicable laws, regulations, ordinances, guidelines, policies, directives, standards, rules and orders regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request by LICENSOR.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Building due to COUNTY FIRE'S use and occupancy, COUNTY FIRE shall clean all property affected to the satisfaction of LICENSOR and any governmental body having jurisdiction therefor. Likewise, should any discharge, leakage, spillage, emission or pollution of any type occur upon or from the Building due to LICENSOR'S use or activity, LICENSOR shall clean all property affected to the satisfaction of COUNTY FIRE and any governmental body having jurisdiction therefor.

24. **TOXICS:** The parties shall not manufacture or generate hazardous wastes on, in or around Property unless authorized by this Agreement. Each party shall be fully responsible for any hazardous wastes, substances or materials as defined under state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by either party, its officers, agents, representatives, employees, volunteers, independent contractors or designees on, in or around the Property during the term of this Agreement, and shall comply with and be bound by all applicable provisions of such state or local law, regulation, or ordinance dealing with such wastes, substances, or materials. In the event of any release or threatened release of any such substances or materials, the responsible party, as the case may be, shall immediately notify the other party and the appropriate governmental response agency(ies).

25. **COMPLIANCE WITH THE LAW:** The parties shall comply with all applicable laws, rules, regulations and ordinances as amended, affecting the Property now or hereafter in effect.

26. **AMENDMENTS:** This Agreement may only be amended by written consent of the parties and such changes shall be binding upon the heirs or successors of the parties.

27. **CAPTIONS:** The title or headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof.

28. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

29. **CERTIFICATION OF SIGNATORY:** The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no additional signatures are required to bind COUNTY FIRE and LICENSOR to its terms and conditions or to carry out duties contemplated herein.

30. **EXECUTION IN COUNTERPARTS:** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.


31. **ENTIRE AGREEMENT:** The parties to this Agreement intend that their negotiations, conversations and statements made prior to execution of this Agreement are fully integrated and expressed herein, and no such negotiations, conversations, and statements shall be deemed to create rights or obligations other than those stated herein.

This Agreement is made in multiple copies, each of which is an original hereof. This Agreement may not be altered or modified or terminated, except in writing, signed by both parties hereto. Notices hereunder shall be sufficient if sent by certified, first class mail, return receipt requested, postage prepaid, to the party to whom notice is to be given, at its address, as recorded above. This Agreement embodies the entire understanding of the parties the subject matter hereof.

IN WITNESS WHEREOF, County of Santa Barbara, a political subdivision of the State of California, in conjunction with COUNTY FIRE and LICENSEE have signed this Agreement by the respective authorized officers as set forth below to be effective on the date executed by COUNTY FIRE.

“LICENSSOR”

THE MALDONADO COMPANIES LLC

By: 

Date: 11-3-23

Abel Maldonado

Principal

The Maldonado Companies

COUNTY SIGNATURES TO FOLLOW

Project: Santa Maria EMS Build-Up Facility
APN: 111-231-011 (portion)
Folio No.: 00
Agent: AH

SANTA BARBARA FIRE PROTECTION DISTRICT
a dependent special district of the County of Santa
Barbara, a political subdivision of the State of California

Kirk A. Lagerquist, Director
General Services Department
(On behalf of the Board of Directors
pursuant to County Code § 12A-11)

Date: _____

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: _____

Tyler Sprague
Deputy County Counsel

By: _____

C. Edwin Price, Jr.
Deputy Auditor-Controller

APPROVED AS TO FORM:

APPROVED: CEO/RISK MANAGEMENT

By: _____

Skip Grey, Assistant Director
Real Property Division

By: _____

Greg Milligan
Risk Manager

RECOMMEND FOR APPROVAL:

APPROVED:

By: _____

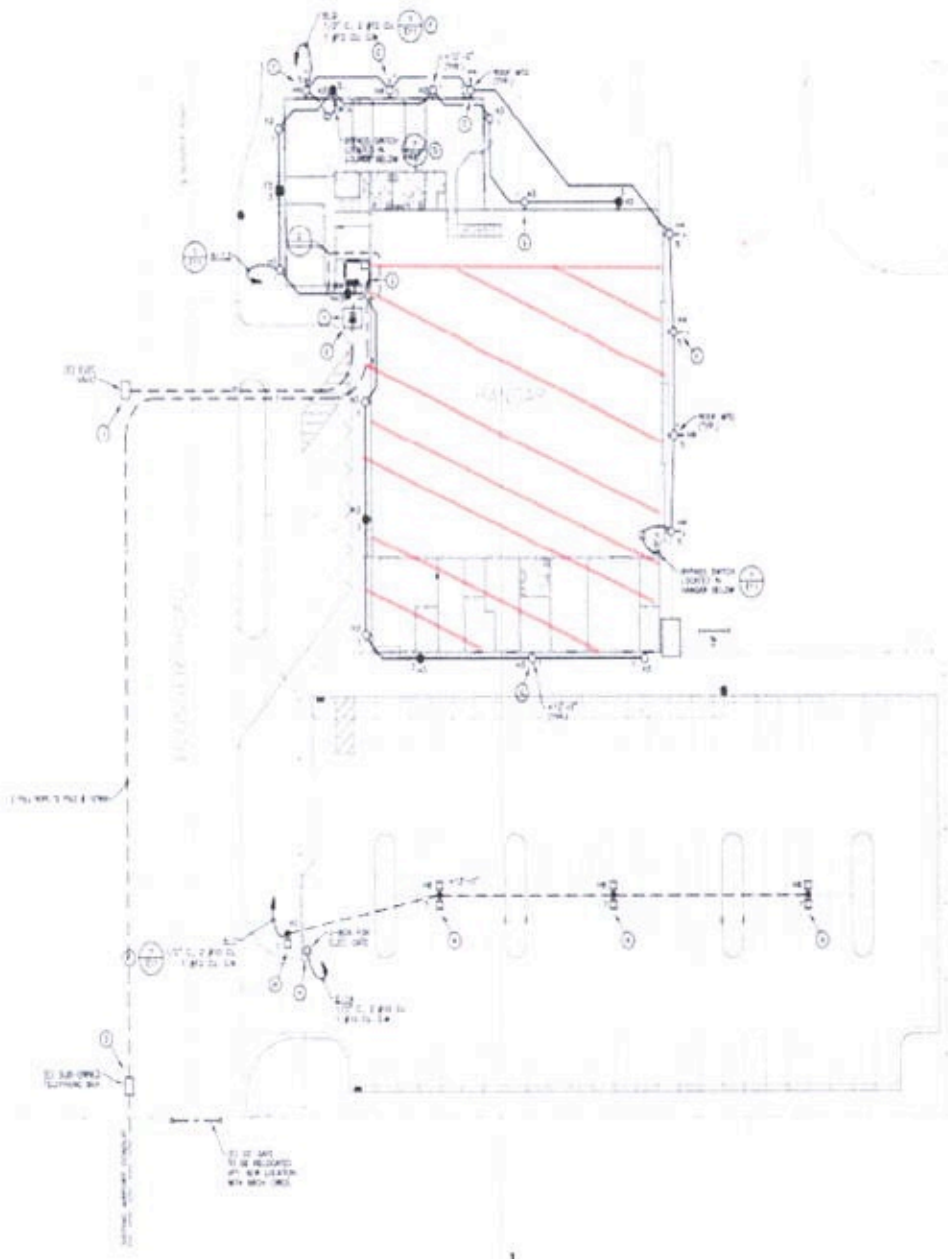
Diane Sauer, Finance Manager
Santa Barbara County
Fire Protection District

By: _____

Mark A. Hartwig, Fire Chief
Santa Barbara County
Fire Protection District

1
EXHIBIT "A"
PROPERTY

2
EXHIBIT "B"
THE PREMISES



CONSENT OF LESSOR

The undersigned is the Lessor in the Master Lease dated September 30, 2019, between SANTA MARIA PUBLIC AIRPORT DISTRICT and the MALDONADO COMPANIES, LLC ("Tenant"), and hereby consents to the Sublease Agreement between Tenant and SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT, referred to as "Subtenant", dated November 8, 2023, waiving none of its rights under the Master lease as to the Lessee or under the Sublease Agreement as to the Sublessee.

Dated: November 9, 2023

Approved as to content for District:

DISTRICT:

General Manager

By: _____
Ignacio Moreno, President

Approved as to form for District:

By: _____
David Baskett, Secretary

District Counsel



2019-0045869

RECORDING REQUESTED BY
First American Title Company

Recorded		REC FEE	215.00
Official Records		TAX	2420.00
County of		PCOR	20.00
Santa Barbara			
Joseph E. Holland			
County Clerk Recorder			
		JM	
08:00AM 10-Oct-2019		Page 1 of 68	

AND WHEN RECORDED MAIL DOCUMENT TO:
Abel Maldonado Jr.
5964 Oakhill Drive
Santa Maria, CA 93455

Space Above This Line for Recorder's Use Only

A.P.N.: 111-231-011

File No.: 4204-5883142 (JO)

Assignment of Lease

Documentary Transfer Tax: \$2,420.00

computed on the consideration or full value
Property in the City of Santa Maria,
County of Santa Barbara, State of
California.

ASSIGNMENT OF LEASE
(A Memorandum of Ground Lease is Recorded as
Instrument Number 2005-106809 on November 3, 2005)

3820 South Blosser, Santa Maria, California

The Assignment of Lease is made this *30th day of September, 2019*, by and between **ARCTICA JET, LLC**, a California limited liability company, hereinafter called "Tenant" or "Assignor", and **MALDONADO COMPANIES, LLC**, a California limited liability company, purchaser, hereinafter called "Assignee."

Recitals

a. Tenant's predecessor in interest (Arctic Air Service, Inc.) and Santa Maria Public Airport District (hereinafter called "Landlord" or District") made and entered into a written ground lease dated March 11, 1999 for leased premises located at the SANTA MARIA PUBLIC AIRPORT, Santa Maria, California. The lease was amended eight times. The lease including the eight amendments is hereinafter referred to as the "Lease." A true copy of the Lease is attached hereto as Exhibit 'A' and incorporated herein in full by this reference. On May 22, 2003 the Lease was assigned to ARCTICA JET, LLC; a true copy of the assignment is attached hereto as Exhibit 'B' (with the legal description attached as Exhibit 'C') and is incorporated herein in full by this reference.

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

Now, therefore, the parties agree as follows:

Assignment

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

2. Assignment. As of the effective date referred to herein, Assignor assigns and transfers to Assignee all right, title, and interest in the Lease. Assignor reserves the right, but is not obligated, to revoke this assignment should Assignee default under that certain promissory note dated September 30, 2019 wherein Assignee is Maker and Assignor is Holder.

3. Effective Date of Assignment. The Assignment shall be effective on October 1, 2019.

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

5. Assignor's Covenants. Assignor covenants that the copies of the Lease, attached hereto as Exhibit 'A' and the 2003 assignment, attached hereto as Exhibit 'B' are true and accurate copies of said documents.

6. Further Assignments. Assignee shall not further assign or transfer any interest in the Lease and/or Leased Premises except as provided in Paragraph 26 of the Lease.

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

8. Indemnification. Assignor indemnifies Assignee from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignor to fulfill Assignor's obligations under the

Lease, and accruing with respect to the period on or prior to October 1, 2019. Assignee indemnifies Assignor from and against and loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignee to fulfill the terms of this Assignment or its obligations under the Lease. Assignor states that no other assignment by Assignor exists in connection with the Lease.

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

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

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

ASSIGNOR: Arctica Jet, LLC
c/o Cameron & Moresco CPA's, LLP
865 Aerovista Place, Suite 220
San Luis Obispo, CA 93401

Notices to Assignee shall be sent to:

ASSIGNEE: Maldonado Companies, LLC
5964 Oakhill Drive
Santa Maria, CA 93455

Dated: 10-2-19

Assignor/
Tenant: 
By: CHRIS RITEBERY, Manager
for Arctica Jet, LLC

Dated: 9-30-19

Assignee: 
By: ABEL MALDONADO, Jr., Manager
Maldonado Companies, LLC

~~The Remainder of this Page is Intentionally Left Blank~~

12. Consent of Landlord

The undersigned, as Landlord under the Lease, hereby consents to the foregoing Assignment of Lease dated September 30, 2019 from ARCTICA JET, LLC, Assignor, to MALDONADO COMPANIES, LLC, Assignee. Landlord's consent to this assignment shall in no way be deemed a waiver of its rights under Paragraph 16 of the Lease, Assignment, Subletting, and Encumbering, to prohibit assignment in future.

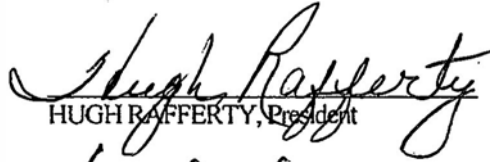
Dated: ~~September~~, 2019

Approved as to content for District:

Santa Maria Public Airport District

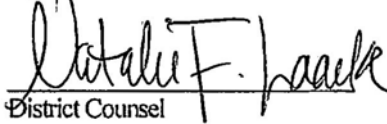


CHRIS HASTERT, General Manager



HUGH RAFFERTY, President

Approved as to form for District:



District Counsel

Natalie Flaack



CARL ENGEL, Jr., Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)
COUNTY OF Santa Barbara)SS

On 9-30-19 before me, Judy Osborn, Notary Public, personally appeared Abel Maldonado Jr

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Judy Osborn



This area for official notarial seal.

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- INDIVIDUAL
 CORPORATE OFFICER(S) TITLE(S)
 PARTNER(S) LIMITED GENERAL
 ATTORNEY-IN-FACT
 TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)SS
COUNTY OF Santa Barbara

On 10-2-19 before me, Judy Osborn, Notary Public, personally appeared

Chris Ottebery
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Judy Osborn



This area for official notarial seal.

**OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT
CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- INDIVIDUAL
- CORPORATE OFFICER(S) TITLE(S)
- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Santa Barbara)

On 10/9/19 before me, Carla Osborn, a Notary Public,

personally appeared Christopher Hastert, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within the 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Carla Osborn



(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)SS
COUNTY OF San Luis Obispo)

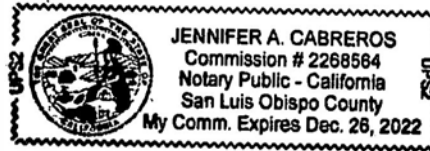
On October 7, 2019 before me, Jennifer Cabreros, Notary Public, personally appeared Natalie F. Haacke

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Jennifer Cabreros*



This area for official notarial seal.

**OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT
CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- INDIVIDUAL
- CORPORATE OFFICER(S) TITLE(S)
- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION - NOT PART OF NOTARY ACKNOWLEDGEMENT

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Santa Barbara)

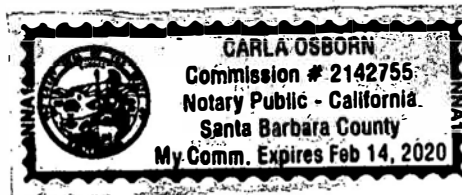
On 10/9/19 before me, Carla Osborn, a Notary Public,

personally appeared Hugh Rafferty, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within the 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Carla Osborn



(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Santa Barbara)

On 10/9/19 before me, Carla Osborn, a Notary Public,

personally appeared Carl Engel, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within the 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Carla Osborn



(Seal)

EXHIBIT A

~~ Begins on Next Page ~~

**GROUND LEASE -
AIRCRAFT SERVICE CENTER**

By and Between

SANTA MARIA PUBLIC AIRPORT DISTRICT

and

ARCTIC AIR SERVICE, INC.

March 1999

DIEHL & RODEWALD
A Professional Corporation
1043 Pacific Street
San Luis Obispo, CA 93401
(805) 541-1000

EXECUTION COPY

TABLE OF CONTENTS

1.	<u>Leased Premises</u>	1
2.	<u>Lease Term</u>	1
3.	<u>Right of First Refusal - Leased Premises</u>	1
4.	<u>Right of First Refusal - Adjoining One-Acre Parcel</u>	1
5.	<u>Rent</u>	1
a.	<u>Monthly Rent During First Five Years</u>	1
b.	<u>Partial CPI Adjustment of Monthly Rent During Second Five Years</u>	1
c.	<u>Monthly Rent For First Five Years of Each Decade After the First Decade Set by Appraisal</u>	2
d.	<u>Partial CPI Adjustment of Monthly Rent in Second Five-Year Period of Each Decade After First Decade</u>	3
e.	<u>Appraised Value of the Premises</u>	3
f.	<u>CPI Index</u>	3
g.	<u>Payment</u>	3
h.	<u>Late Charge</u>	3
i.	<u>Additional Rent</u>	4
6.	<u>Construction By Tenant</u>	4
a.	<u>Obligation To Construct</u>	4
b.	<u>Schedule of Improvements</u>	4
c.	<u>Tenant Cost</u>	4
d.	<u>Indemnity Against Claims</u>	4
e.	<u>Preliminary Plans and Specifications</u>	5
f.	<u>Final Plans</u>	5
g.	<u>Bonds</u>	5
h.	<u>Notice of Non-Responsibility</u>	6
i.	<u>Permits</u>	6
j.	<u>Builder's Risk Insurance</u>	6
k.	<u>Soil Conditions</u>	6
l.	<u>Diligence</u>	7
m.	<u>Parcel or Subdivision Map</u>	7
7.	<u>Restriction on Use</u>	7
8.	<u>Specific Prohibited Uses</u>	7
9.	<u>Maintenance</u>	8
a.	<u>Tenant's Duty to Maintain</u>	8
b.	<u>Damage to and Destruction of Improvements</u>	8
c.	<u>Destruction During Final Years of Lease Term; Termination Rights</u>	9
d.	<u>Duty on Termination</u>	9
10.	<u>Utilities</u>	10

11.	<u>Nuisance</u>	10
12.	<u>Taxes, Licenses</u>	10
13.	<u>Assumption of Risks/Acceptance of Property Condition</u>	10
14.	<u>Indemnity</u>	10
15.	<u>Insurance</u>	11
16.	<u>Alterations and Improvements</u>	11
17.	<u>Access</u>	12
18.	<u>Compliance With Laws</u>	12
19.	<u>Use of Hazardous Material</u>	12
20.	<u>Federal Aviation Administration Rider Attached</u>	12
21.	<u>Right of Entry</u>	12
22.	<u>Condemnation</u>	12
23.	<u>Termination by District</u>	13
24.	<u>Development Costs</u>	13
25.	<u>Remedies on Default</u>	13
	a. <u>Re-entry After Termination</u>	13
	b. <u>Re-entry Without Termination</u>	14
	c. <u>Termination After Re-letting</u>	14
	d. <u>Tenant's Personal Property</u>	14
	e. <u>Assignment of Subrents</u>	14
	f. <u>Termination and Remedy in Damages</u>	14
26.	<u>Assignment, Subletting and Encumbering</u>	15
27.	<u>Signs</u>	16
28.	<u>Notices</u>	16
29.	<u>Attorneys' Fees</u>	16
30.	<u>Quitclaim</u>	16
31.	<u>Covenants and Conditions</u>	17
32.	<u>Time of Essence</u>	17

33.	<u>Waiver</u>	17
34.	<u>Subordinate to Specified Matters</u>	17
35.	<u>Captions</u>	17
36.	<u>Invalidity</u>	17
37.	<u>Integration</u>	17
38.	<u>FAA Approval</u>	17
39.	<u>Binding Effect</u>	17
40.	<u>Holding Over</u>	17
41.	<u>Surrender and Site Assessment.</u>	17
42.	<u>Disclaimer of Partnership</u>	18
43.	<u>Interpretation and Venue</u>	18

GROUND LEASE -
AIRCRAFT SERVICE CENTER

THIS LEASE, dated March 11, 1999, is made and executed by and between SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district of the State of California (herein called "District") and ARCTIC AIR SERVICE, INC., a California corporation, (herein called "Tenant").

1. Leased Premises. District hereby leases to Tenant, and Tenant hires from District, for the term and rents, and upon the terms, conditions and covenants contained herein, the unimproved real property at the Santa Maria Public Airport (the "Airport") in Santa Maria, California, consisting of approximately 2 acres within Assessor's Parcel No. 111-230-88, generally located at the northeast corner of the intersection of Blosser Road and the southerly boundary of the Airport operating area, as further described in Exhibit "A" attached hereto and incorporated by this reference, and as shown in green on the plot plan marked Exhibit "B" attached hereto and made a part hereof (herein referred to as the "Premises" or "Leased Premises") subject to all existing and future easements, rights, encumbrances, rights-of-way, and matters of record.

Tenant is aware that the Premises are not a legal parcel. If the City of Santa Maria requires a parcel map for development of the Premises, Tenant shall pay all costs.

2. Lease Term. The term of this lease shall be for a forty (40) year period commencing May 1, 1999, and expiring, unless sooner terminated as hereinafter provided, at midnight on April 30, 2039, (herein referred to as the "lease term" or "term of this lease").

3. Right of First Refusal - Leased Premises. For a period of time commencing six (6) months prior to expiration of the term and ending at expiration of the term, Tenant shall have a right of first refusal to lease the Premises upon such terms and conditions acceptable to District, provided District is willing to continue to lease the Premises for the use(s) Tenant makes of the Premises during the final year of the lease term.

4. Right of First Refusal - Adjoining One-Acre Parcel. Tenant shall have a five-year right of first refusal, commencing on execution of this Lease and expiring at 5:00 p.m. on April 30, 2004, to lease the one-acre parcel immediately to the east of the Premises (the "East Property"), as depicted and described on Exhibit "C", attached hereto and incorporated by this reference, upon such terms and conditions as may be acceptable to District.

5. Rent. During the term of this Lease, Tenant shall pay rent to District monthly, as set forth below.

a. Monthly Rent During First Five Years. Rent for and during the first six (6) months of the term shall be \$566.29 monthly; rent for and during the remaining months of the first five (5) years of the term shall be the sum of \$1,132.58 monthly.

b. Partial CPI Adjustment of Monthly Rent During Second Five Years. Monthly rent for and during the sixth through tenth years of the term of this lease will be an amount equal to monthly rent payable as provided in subsection (a) above (\$1,132.58) adjusted upward but not downward in one-half of the percentage proportion that the Consumer Price Index, all items, 1982-84=100, Los Angeles-Anaheim- Riverside, for all Urban Consumers (the "CPI Index") published by the United States Department of Labor,

Bureau of Labor Statistics, or its successor in function, for the third month immediately preceding the beginning of the sixth year of this lease shall be increased over the CPI Index for the third month preceding the commencement date of this lease.

c. Monthly Rent For First Five Years of Each Decade After the First Decade Set by Appraisal. The term "decade" means each period of ten (10) years during the term of this lease. The "first decade" is the ten-year period beginning on the commencement date of the lease term; the "second decade" is the ten-year period beginning on the first day following the first decade, and so on. A new monthly rent shall be determined every ten (10) years by appraisal as hereinafter provided. District shall select the appraiser. District and Tenant shall share the cost and expense of the appraisal. The rent payable monthly for and during the first five (5) years of each decade, after the first decade, shall be an amount obtained by multiplying (i) a decimal factor of .00667 by (ii) the fair market value of the Premises determined by appraisal as of the one hundred twentieth (120th) day prior to the commencement date of the particular decade for which the new monthly rent is to be determined (the "Valuation Date"); provided, the new monthly rent set by appraisal shall not be less than the monthly rent immediately prior to appraisal. The foregoing decimal factor of .00667 is a monthly capitalization rate applied to the fair market value of the Premises so as to yield an imputed annual return of 8% per annum on the fair market value of the Premises as appraised and is computed by the following formula:

$$\begin{aligned} A/B &= .00667 \\ A &= .08 \text{ (annual return of 8\%)} \\ B &= 12.0 \text{ (12 calendar months)} \end{aligned}$$

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

Each appraiser shall certify that he/she has personally inspected the Premises and all properties used as comparisons, that he/she has no past, present or contemplated future interest in the Premises or any part thereof, that the compensation to be received by him/her from any source for making the appraisal is solely in accordance with this lease, that he/she has followed the instructions as set forth in Section 4(e) for valuing the Premises, that neither his/her employment to make the appraisal nor his/her compensation therefor is contingent upon reporting a predetermined value or a value within a predetermined range of values, that he/she has had at least seven (7) years full-time professional experience as a commercial real estate appraiser in the City of Santa Maria, that he/she is a member of the American Institute of Real Estate Appraisers or successor thereto or the Society of Real Estate Appraisers or successor thereto (or, if neither such institute nor society nor a successor is in existence, a disinterested real estate appraiser having appropriate qualifications to appraise commercial real estate), and that his/her appraisal was prepared in conformity with the standards of professional practice of the institute or society or successor thereto.

d. Partial CPI Adjustment of Monthly Rent in Second Five-Year Period of Each Decade After First Decade. The monthly rent determined by appraisal for the first five (5) years of each decade, beginning with the second decade, shall be adjusted upward but not downward, as hereinafter provided, as of the first day of the sixth year of each decade, beginning in the second decade, and the monthly rent so adjusted (herein sometimes referred to as the "CPI Adjusted Base Rent") shall be the monthly rent payable for and during the remaining five (5) years of such decade. The CPI Adjusted Base Rent will be an amount equal to the monthly rent for the preceding five (5) years increased but not decreased in one-half the percentage proportion that the CPI Index for the third calendar month immediately preceding the beginning of the sixth year of the decade in which the monthly rent is being adjusted shall be increased over the CPI Index for the first calendar month in which such decade begins.

e. Appraised Value of the Premises. The fair market value of the Premises (herein referred to as the "appraised value") shall be determined as of any given Valuation Date by appraising the Premises as encumbered with easements and reservations, and without including in the appraisal the value for improvements installed or constructed by or for Tenant. All appraisals will be made on the basis of the highest and best use of the Premises at the time of the appraisal.

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

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

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

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

6. Construction By Tenant.

a. Obligation To Construct. The Premises are being leased expressly and primarily for the development, construction and operation by Tenant of an aircraft service center consisting of a minimum 20,000 square foot, one-story building and related walkways, parking, landscaping, lighting and irrigation, costing no less than Five Hundred Thousand Dollars (\$500,000.00), including engineering and design costs, together with any on or off-site improvements required by any public agency for development of the Premises (hereinafter referred to as the "Improvements"); provided the parties acknowledge that the Improvements may be modified by the City of Santa Maria, but are subject to final approval by District in accordance with Paragraph 16. Tenant leases the Premises with the obligation of constructing the Improvements together with any related on- or off-site improvements necessitated by the development of the Premises and any subsequent improvements, at Tenant's sole cost and expense. Tenant shall construct all on and off-site improvements required herein, at Tenant's sole cost and expense, in the time and manner set forth herein. Tenant shall obtain any and all governmental approval legally required to improve or alter the Premises. Tenant shall construct the improvements free of claims against District and the Premises.

b. Schedule of Improvements. Tenant shall begin construction and installation of the Improvements within 180 days of the lease commencement. Tenant shall complete construction of the Improvements within two (2) years after the lease commencement. This two-year period may be increased by any delay due to acts of God or actions of third parties not subject to Tenant's control, not to exceed one additional year. If Tenant fails to timely begin and complete construction, District may terminate this lease after thirty (30) days' notice of its intent to terminate.

c. Tenant Cost. Tenant shall bear and pay the cost of any construction, reconstruction, demolition, alteration or improvements.

d. Indemnity Against Claims. Tenant shall keep the Premises and improvements thereon free and clear of all mechanic's liens and other liens. Tenant shall defend, indemnify and save harmless District and the Premises from and harmless against

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

e. Preliminary Plans and Specifications. Prior to beginning construction, Tenant shall deliver to District a set of preliminary construction plans and specifications of all off-site and on-site improvements, including exterior architectural appearance of buildings, including design, color and materials, prepared by an architect or engineer, as applicable, licensed to practice as such in California. The plans and specifications shall include, but are not limited to: preliminary grading and drainage plans; soil tests; utilities, sewer and service connections; designs and locations of buildings, curbs, gutters, sidewalks, parking areas, exterior lighting, outdoor signs, storage areas, landscaping, and ingress and egress to and from public streets, in sufficient detail to enable potential contractors and subcontractors to make reasonably accurate bid estimates and to enable District to make an informed judgment about the design and quality of construction. All Improvements shall be constructed within the exterior property lines of the Premises. The plans and specifications and any modifications thereto, including exterior architectural appearance of buildings, including design, color and materials, are subject to District's approval. District shall notify Tenant in writing of its approval or disapproval of the preliminary plans and specifications within sixty (60) days' receipt of a complete set. District's failure to give written notice to Tenant within that sixty (60) day period of objection District may have to the plans and specifications shall constitute approval of the plans and specifications by District.

f. Final Plans. Tenant shall prepare final working plans and specifications conforming to preliminary plans approved by District, submit them to the appropriate governmental agencies for approval, and deliver to District one complete set as approved by the governmental agencies, together with a copy of the lender's written commitment to provide the funds necessary to complete the construction of the Improvements in accordance with the approved plans and specifications. Changes from the preliminary plans shall be considered to be within the scope of the preliminary plans if they are made to comply with requirements of a governmental agency or official in connection with the application for permit or approval and do not noticeably affect the exterior appearance or location on the Premises. Any substantial or material changes or any changes affecting the size, design, layout or exterior appearance of the Improvements require the prior written approval of District. District's failure to give written notice to Tenant of any objection District has to any of the proposed changes within sixty (60) days after receipt of a written statement of the proposed changes, together with revised plans and specifications, has been given to District by Tenant, shall constitute District's approval of the changes.

g. Bonds. Tenant shall furnish District with a performance bond and labor and materials bond or irrevocable letter of credit in an amount not less than one hundred

percent (100%) of the estimated cost of the Improvements, in a form and with a company or institution acceptable to District, prior to constructing improvements or repairs on the Premises. The security shall remain in effect until forty-five (45) days after recording of the Notice of Completion, or until the entire cost of the work shall have been paid in full, whichever last occurs. Any bond shall be issued by a corporate surety licensed to do business in California. The bond or letter of credit shall state the following:

(1) That it is conditioned to secure the completion of the proposed construction, in accordance with the plans and specifications approved by District, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and materialmen;

(2) That the construction work shall be effected by Tenant, its general contractor, or on either's default, the surety;

(3) That in default of such completion and payment, such part of the amount of the bond or letter of credit as shall be required to complete the work shall be paid to District as liquidated and agreed damages for the nonperformance of Tenant's agreements, it being agreed that the exact amount of District's damages is difficult and impractical to ascertain; and

(4) That the surety will defend and indemnify District against all loss, cost, damage, expense, and liability arising out of or connected with the work of improvement.

(5) At District's option, that uncompleted construction be removed and the Premises restored to a condition satisfactory to District.

h. Notice of Non-Responsibility. At least ten (10) days prior to initiation of any improvement, or delivery of any materials to the Premises, Tenant shall notify District of same. District shall have the right to post and/or publish a Notice of Nonresponsibility.

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

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

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

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

m. Parcel or Subdivision Map. If a parcel map or subdivision map of the Premises is required by the City of Santa Maria in connection with this Lease or the Improvements or use of the Premises, Tenant shall prepare and process for the City's approval, at Tenant's expense, including all fees, security bonds, deposits, engineering, surveying and improvement costs. If a map is required to be approved and filed, the time required for commencing construction of the Improvements shall be extended for the time required to process and record the map.

7. Restriction on Use. Tenant shall use the Premises solely for provision of aircraft maintenance services and/or aircraft charter service or other airport and aircraft service related uses as may be approved by District. Any airport and aviation service related use other than aircraft maintenance or aircraft charter service requires District's prior written approval. District's approval may be conditioned upon receipt of proof from Tenant that any other use requires (1) location on an airport, and (2) direct access to the airport's operating areas, and provides service to aircraft or aircraft users. In the event of any unapproved use, District may, at its option, immediately terminate this Lease. Nothing contained herein shall be deemed to give Tenant exclusive rights at the Airport in connection with any of the permitted uses herein.

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

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

b. Store on the Premises any property or articles, or conduct any activities or operations which are not directly related or incident to the permitted uses in paragraph 7 of this Lease.

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

d. Use or locate on the Premises any material which would cause sunlight to be reflected toward an aircraft on initial climb or final approach.

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

f. Any use or activity which would direct steady or flashing lights at aircraft during initial climb or final approach or otherwise interfere with or create a hazard to the operation of the Airport.

- g. Locate, erect or construct any structure, improvement or allow a tree in excess of 50 feet in height (or 301 feet above mean sea level).
- h. Spray painting, except spray painting of aircraft in an approved paint booth.
- i. Any business or use which does not require airfield access or is in violation of any zoning ordinances.

9. Maintenance.

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

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

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

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

c. Destruction During Final Years of Lease Term; Termination Rights. Tenant is relieved of the obligation to, but may, repair, restore, or reconstruct Improvements damaged or destroyed during the final fifteen (15) years of the lease term, if (1) the work of repairing, restoring or reconstructing would constitute a "major repair or restoration" as defined below, (2) the damage or destruction is uninsured and is not required to be insured under any provision of this Lease, and (3) Tenant complies with all of the following conditions:

(1) Gives District notice of the damage or destruction promptly but not later than thirty (30) days after the event, detailing facts that qualify the casualty under this provision.

(2) Is not in default under any provision or condition of this Lease.

(3) Continues to make all payments when due as required by the provisions of this Lease, provided that Tenant, by written notice given within thirty (30) days after Tenant's notice of the damage or destruction, elects to terminate this Lease at a date stated in the notice, which date shall be not less than thirty (30) nor more than ninety (90) days after such notice of termination.

(4) Pays in full, or has paid in full, any outstanding indebtedness incurred by Tenant and secured by an encumbrance or encumbrances on the leasehold.

(5) Causes to be discharged all liens, claims and encumbrances resulting from any act or omission of Tenant.

The term "major repair or restoration," as used above, means a repair, restoration, construction, reconstruction or replacement estimated to cost more than fifty percent (50%) of the replacement of all buildings on the Premises just prior to the destruction or damage.

d. Duty on Termination. In the event the Lease is terminated pursuant to the provisions of subparagraph 9.c, above, Tenant shall comply with all of the following conditions prior to termination and all rent for the period following compliance by Tenant with all of the following conditions shall be abated:

(1) Tenant delivers possession of the Premises to District and quitclaims all right, title and interest in the Premises by a recordable quitclaim deed executed by Tenant and delivered to District.

(2) Tenant removes (or deposits the cost of removing as estimated by District) all fixtures and improvements as specified by District to be removed and returns the Premises to District in a clean, graded condition.

(3) Tenant effectively relinquishes and transfers to District all insurance proceeds resulting from the casualty to the extent of the value of the building comprising the improvements immediately prior to their damage or destruction, appraised at its replacement value.

10. Utilities. District shall have no responsibility to provide water, utility service or extensions of any kind to the Premises, and any such water, utility service or extension by Tenant shall be at Tenant's sole cost and expense after consent by District as provided in Paragraph 16 herein.

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

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

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

By entry hereunder, Tenant accepts the Premises in its present condition and agrees on the last day of the term or sooner termination to immediately surrender to District the Premises in the same or better condition as when received, normal wear and tear, damage by acts of God or by the elements excepted, subject to the provisions of Paragraph 16 (Alterations and Improvements).

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

or Tenant's agents', employees', invitees', licensees', or guests' activities on the Leased Premises. Tenant shall notify District immediately of any "release, etc." of any toxic or hazardous material on the Leased Premises.

15. 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. Airport liability insurance and comprehensive general liability and property damage insurance, including bodily injury and personal injury liability, public liability, property damage liability and contractual liability, each with the following minimum liability limits: Combined single limit of liability of at least \$2,000,000 for each accident or occurrence.

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

The proceeds of these policies shall be deemed to be held in trust by the recipient for the repair, restoration or reconstruction of any improvements damaged or destroyed by the casualty giving rise to the insurance claim, subject, however, to the provisions of Paragraph 9.d(3). If the proceeds exceed that measure, the balance of the proceeds shall be paid to Tenant.

District shall be named as an additional insured in each policy required herein without offset to any insurance policies of the District. All policies shall be issued by companies licensed to do business in California and having a Best's rating of "A". 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 canceled or coverage reduced except after thirty (30) days' written notice to District and an endorsement insuring the contractual liability assumed by Tenant in the indemnity paragraph of this Lease. The coverage, form and liability limits of all insurance may be increased at the option of District's Board of Directors after giving Tenant at least ninety (90) days' prior written notice.

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

16. Alterations and Improvements. 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. The District reserves the right to approve the architecture, design, color and exterior appearance of all improvements. All improvements must be approved by District prior to construction, except interior, non-structural alterations or improvements after construction of the initial facility. All improvements, equipment, trade fixtures and facilities

installed by Tenant shall be installed and used in compliance with local, state and federal laws, ordinances, regulations and codes applicable thereto. All alterations, additions or improvements made by Tenant at the Airport shall be the property of Tenant during the term, but shall become District's property at expiration or termination, free of any liens or claims by Tenant or others, unless District advises Tenant in writing to remove any or all improvements within ninety (90) days after termination or expiration of this Lease. If so advised, Tenant shall remove such improvements, at Tenant's expense, within sixty (60) days thereafter. Tenant shall restore District's property to at least its former condition and repair any damage resulting from any removal. Tenant shall defend and indemnify District against any claims arising from District's exercise of rights conferred by this section.

17. Access. Tenant and Tenant's employees, agents, representatives, customers, or invitees arriving by vehicle shall access the Premises only from Blosser Road.

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

19. 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. No hazardous material may be used on the Premises except by a person who is able to read and understand attached labels and precautions.

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

21. Right of Entry. District and authorized agents of District, County of Santa Barbara and City of Santa Maria, utility companies, and any public agencies having jurisdiction over the Premises or Tenant's operations shall have the right to enter the Premises at all reasonable times for the purpose of inspecting the same, or to make repairs or for any reasonable purpose, and at any time in case of any emergency; provided, except in case of emergency, such right of entry shall be conditioned upon at least twenty-four (24) hours' notice, or less, if reasonable under the circumstances, to Tenant of the purpose and the date and time of entry. Such notice may be oral or written.

22. 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, and all sums, including damages and interest, awarded for the fee or leasehold, or both, shall be promptly distributed and disbursed in the following order of priority:

a. To District, a sum equal to the value of the Premises taken, valued as unimproved land at its highest and best use, exclusive of improvements and unburdened by all leases and subleases;

b. To Tenant, a sum equal to the value of Tenant's improvements taken or injured, less District's reversionary interest; and

c. To District, the balance of the award.

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

a. Filing by or against Tenant of a voluntary or involuntary petition in bankruptcy or for reorganization, or taking of Tenant's assets pursuant to a proceedings under the Federal Reorganization Act, or the adjudication of Tenant as a bankrupt, or the appointment of a receiver of Tenant's assets, or divestiture of Tenant's assets or estate herein by operation of law or otherwise, or assignment by Tenant of its assets for the benefit of creditors, unless the bankruptcy, assignment or proceeding is dismissed, vacated or otherwise permanently stayed or terminated within sixty (60) days after the filing, assignment or initiating event.

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.

24. Development Costs. Tenant shall bear all costs and expenses of development of the Premises, including, but not limited to, on and off-site improvements, permits, fees, applications, environmental and plan review, subdivision or parcel map (if applicable), rezoning, general plan amendment, and review by the Santa Barbara County Airport Land Use Commission.

25. Remedies on Default. In addition to any other remedy District may have under this agreement or by operation of law or in equity, District shall have the right, in the event of Tenant's nonpayment of rent required under this lease, or in the event of default of any of the terms or conditions of this lease, or if Tenant shall abandon or vacate the Leased Premises, to do the following, cumulatively or in the alternative:

a. Re-entry After Termination. To terminate this lease upon written notice to Tenant and re-enter the Leased Premises and eject some or all persons, or none, and remove all property, other than District's property, from the Leased Premises or any part of the Leased Premises, in accordance with applicable law. Any property removed from the Leased Premises upon re-entry by District under this paragraph may be stored in a

public warehouse or elsewhere at the cost of and for the account of Tenant, and District shall have no liability therefor.

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

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

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

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

f. Termination and Remedy in Damages. No waiver by District of a default by Tenant of any of the terms, covenants, conditions or provisions hereof to be kept, observed or performed shall be construed to be a waiver by District of any subsequent default. If Tenant breaches this lease and abandons the property before the end of the term, or if its right to possession is terminated by District because of Tenant's breach of this lease, this lease terminates. On such termination, District may elect to recover the following damages from Tenant:

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

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award

exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided.

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

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

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

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

26. Assignment, Subletting and Encumbering. Tenant shall not assign, mortgage, encumber or grant control of this lease or any interest, right or privilege herein or sublet the whole of the Leased Premises without the prior written approval of District. Any such assignment, mortgage, encumbrance, transfer or sublease without the prior written approval of District shall be void and, at the option of District, shall terminate this lease.

District shall not be required to give its approval to any assignment, mortgage, encumbrance, transfer or sublease unless all of the following conditions have been satisfied:

a. Tenant is not in default under the provisions or conditions of this lease on the effective date of the assignment, mortgage, encumbrance, transfer or sublease or concession;

b. All improvements described in paragraph 6(a) and (b) have been completed;

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

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

e. Any assignee, transferee or sublessee must have a net worth at the time of assignment of at least twenty times the amount of the **annual** rent then in effect, as determined by independent certified or public accountant in accordance with generally accepted accounting principles and as evidenced by a statement or certificate of said accountant submitted to District; provided, if any assignment, transfer or concession of the entire operation is proposed during the first five years of the Lease, any such assignee, transferee or sublessee shall have the minimum net worth of at least \$500,000. Any assignee or transferee shall have at least three (3) years' experience in successfully operating an aircraft service center at a commercial airport and three (3) references acceptable to District.

f. The assignee, transferee or sublessee shall expressly assume in writing, signatures acknowledged, all of the covenants and conditions of this lease on the part of Tenant to be observed and performed, in a form acceptable to District.

g. District's fee interest in the property shall not be encumbered by or subordinated to any financing by Tenant. District shall not be required to amend the Lease to accommodate requests by any lender or assignee.

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

28. 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 1801-A North H Street, Lompoc, CA 93436. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

29. Attorneys' Fees. In the event either party commences any legal action or proceeding against the other party arising out of or in any way related to this lease, the party prevailing in such action shall be entitled to recover court costs and a reasonable attorney's fee to be fixed by the court (including the reasonable value of services rendered in such action by District's appointed District Counsel).

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

Tenant any quitclaim deed or other document required by any reputable title company to remove the cloud of this lease from the real property subject to this lease.

31. Covenants and Conditions. Each term and each provision of this lease agreement performable by Tenant shall be construed to be both a covenant and a condition.

32. Time of Essence. Time is of the essence of each term, condition and provision of this lease agreement.

33. Waiver. One or more waivers by District of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition. District's consent to or approval of any act by 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 or 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. No provision of this agreement shall be deemed to have been waived by District unless such waiver be in writing signed by District.

34. Subordinate to Specified Matters. 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.

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

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

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

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

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

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

41. Surrender and Site Assessment. Tenant agrees on the last day of term hereof or sooner termination to surrender to District forthwith the Premises in the same or better condition as when received, normal wear and tear, damage by acts of God or by the elements excepted.

Within thirty (30) days of expiration or sooner termination of this Lease, Tenant shall, at Tenant's sole cost and expense, cause to be conducted a site assessment of the Premises to determine that the Premises are free of any hazardous material or contamination therefrom. The nature and extent of the site assessment and the selection of the person performing the site assessment and certification shall be approved by District, whose approval shall not be unreasonably withheld. The Premises shall be certified to be free of any hazardous material or contamination therefrom by a person certified by the appropriate governmental agency to conduct such site assessments. Any contamination or environmental damage on the Premises or originating on the Premises and migrating off the Premises shall be remediated by Tenant to meet or exceed the strictest governmental standards, requirements and to District's satisfaction. Tenant shall be responsible for all remedial investigation and remediation, including submission and approval of the remediation closure plan.

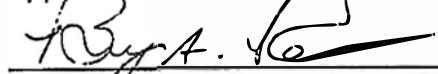
42. Disclaimer of Partnership. The relationship between the parties is one of landlord and tenant only. This Lease does not constitute a partnership or joint venture or agency agreement between the parties.

43. 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.

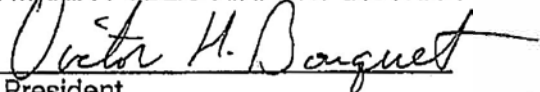
IN WITNESS WHEREOF, the parties have duly executed this Lease.

DISTRICT:

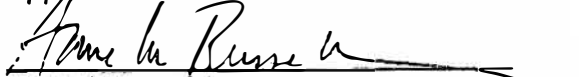
Approved as to content for District:

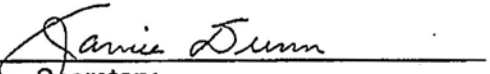

Acting General Manager

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: 
President

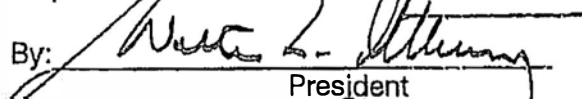
Approved as to form for District:


District Counsel

By: 
Secretary

TENANT:

ARCTIC AIR SERVICE, INC., a California corporation

By: 
President

By: 
Secretary

LEGAL DESCRIPTION

BEING PROPERTY OVER A PORTION OF SECTION 3, TOWNSHIP 9 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 3 AS SHOWN ON RECORD OF SURVEY MAP RECORDED IN BOOK 115 AT PAGE 22, RECORDS OF SAID COUNTY;

THENCE SOUTH 00 DEGREES 35 MINUTES 59 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 3 A DISTANCE OF 1241.36 FEET;

THENCE SOUTH 89 DEGREES 24 MINUTES 01 SECONDS EAST A DISTANCE OF 36.24 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 88 DEGREES 11 MINUTES 00 SECONDS EAST A DISTANCE OF 420.79 FEET;

THENCE SOUTH 1 DEGREE 55 MINUTES 54 SECONDS WEST A DISTANCE OF 207.44 FEET;

THENCE NORTH 88 DEGREES 04 MINUTES 42 SECONDS WEST A DISTANCE OF 420.79 FEET;

THENCE NORTH 1 DEGREE 55 MINUTES 54 SECONDS EAST A DISTANCE OF 206.67 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING 2.00 ACRES.


KENNY L. FARGEN LS 4597
LICENSE EXPIRATION DATE: 9-30-99

3/11/99
DATE:

990041.doc

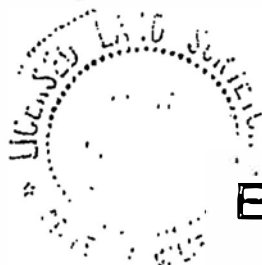


EXHIBIT "A"

LEGAL DESCRIPTION

BEING PROPERTY OVER A PORTION OF SECTION 3, TOWNSHIP 9 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 3 AS SHOWN ON RECORD OF SURVEY MAP RECORDED IN BOOK 115 AT PAGE 22, RECORDS OF SAID COUNTY;

THENCE SOUTH 00 DEGREES 35 MINUTES 59 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 3 A DISTANCE OF 1241.36 FEET;

THENCE SOUTH 89 DEGREES 24 MINUTES 01 SECONDS EAST A DISTANCE OF 36.24 FEET;

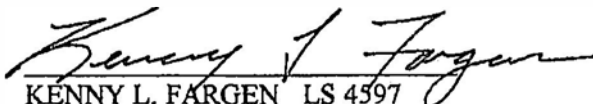
THENCE SOUTH 88 DEGREES 11 MINUTES 00 SECONDS EAST A DISTANCE OF 420.79 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 88 DEGREES 11 MINUTES 00 SECONDS EAST A DISTANCE OF 209.80 FEET;

THENCE SOUTH 1 DEGREE 55 MINUTES 54 SECONDS WEST A DISTANCE OF 207.82 FEET;

THENCE NORTH 88 DEGREES 04 MINUTES 42 SECONDS WEST A DISTANCE OF 209.80 FEET;

THENCE NORTH 1 DEGREE 55 MINUTES 54 SECONDS EAST A DISTANCE OF 207.44 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING 1.00 ACRE.

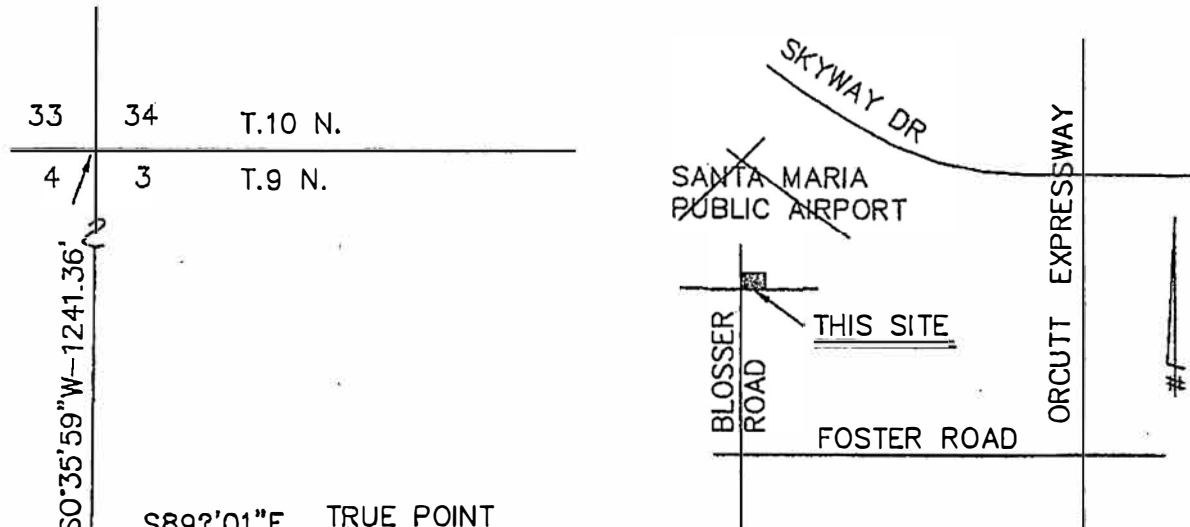

KENNY L. FARGEN LS 4597

LICENSE EXPIRATION DATE: 9-30-99

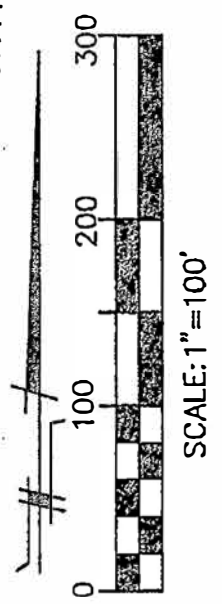
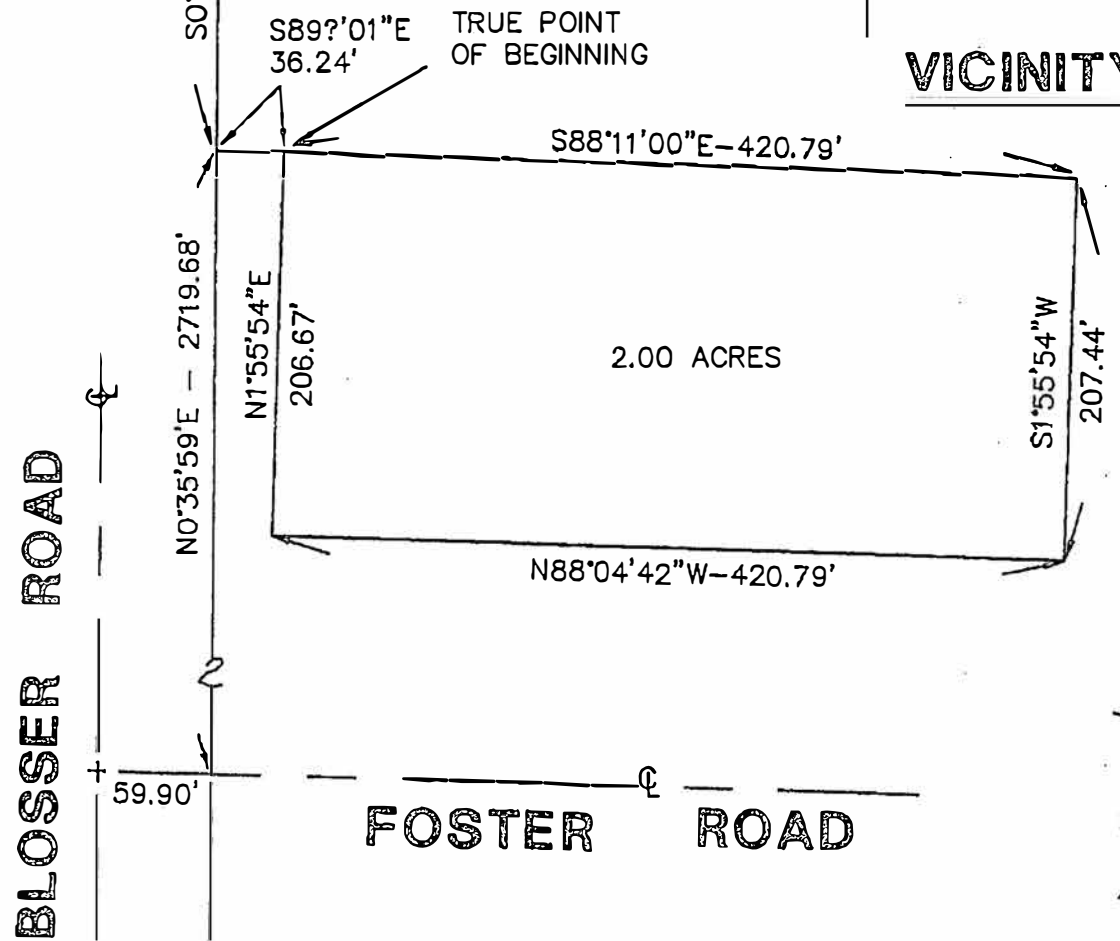
3/11/99
DATE:

990042.doc





VICINITY MAP
NO SCALE

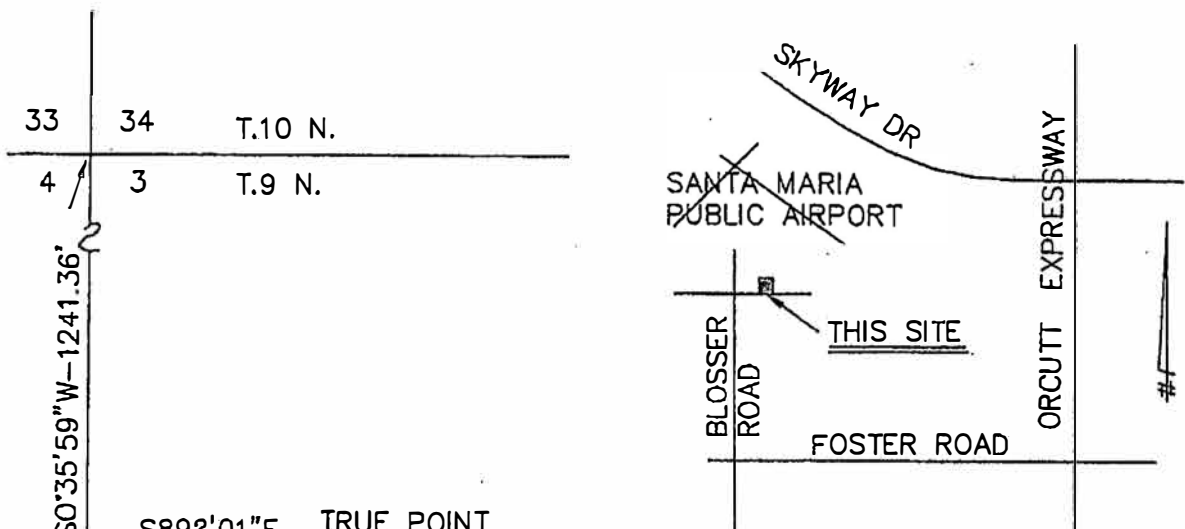


FARGEN SURVEYS INC.

2450 PROFESSIONAL PARKWAY, SUITE 210
 SANTA MARIA, CALIFORNIA 93455
 PHONE: 805-934-5727
 FAX: 805-934-3448
 DATE: FEB.15,1999

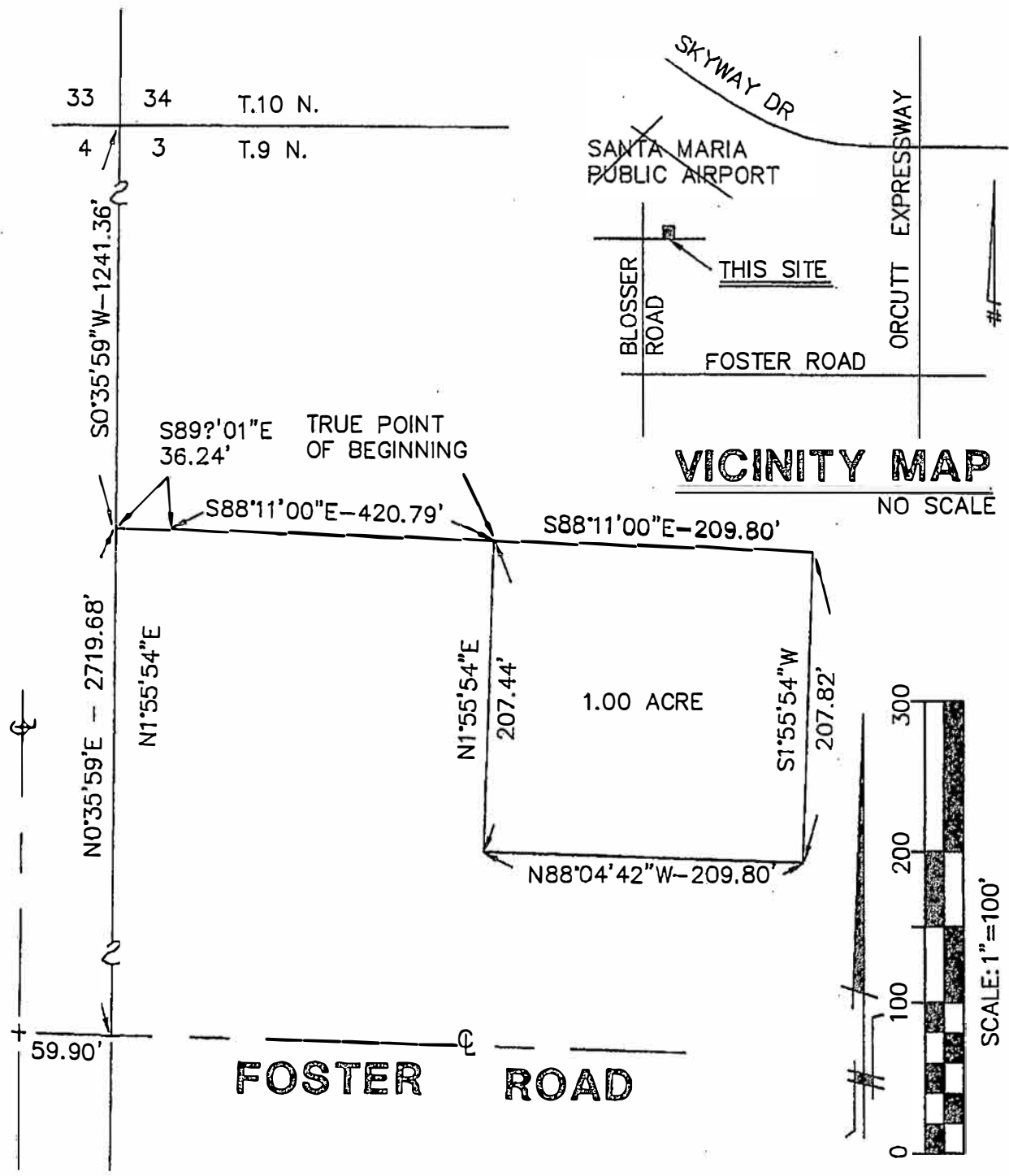
EXHIBIT "B"

BEING PROPERTY OVER A PORTION OF SECTION 3, TOWNSHIP 9 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA.



VICINITY MAP
NO SCALE

BLOSSER ROAD



FARGEN SURVEYS INC.

2450 PROFESSIONAL PARKWAY, SUITE 210
 SANTA MARIA, CALIFORNIA 93455
 PHONE: 805-934-5727
 FAX: 805-934-3448
 DATE: FEB.15,1999

EXHIBIT "C"

BEING PROPERTY OVER A PORTION OF SECTION 3, TOWNSHIP 9 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA.

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

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

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

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

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

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

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

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

(viii) without limitation radon gas.

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 Contractor's use or occupancy of the Premises or the Airport or as the result of any of Contractor's (or Contractor's agents, employees, invitees or officers') actions or omissions, and including without limitation:

RIDER

Rider to lease agreement dated March 11, 1999, (herein called "this lease") between Santa Maria Public Airport District (herein called "District") and Arctic Air Service, Inc., a California corporation, (herein called "Tenant") covering approximately 2 acres of land within Assessor's Parcel 111-230-88 (herein called the "leased premises") at Santa Maria Public Airport (herein called the "Airport").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

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

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

14. Tenant by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the leased premises above the mean sea level elevation of 359 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased premises and to remove the offending structure 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 premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, District reserves the right to enter upon the leased premises and cause the abatement of such interference at the expense of Tenant.

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

FIRST AMENDMENT OF GROUND LEASE - AIRCRAFT SERVICE CENTER

Re: Ground Lease - Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, covering the Aircraft Service Center at Santa Maria Public Airport for term expiring April 30, 2039 (the "Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and ARCTIC AIR SERVICE, INC., ("Tenant"), do hereby agree to amend the above-referenced Lease, effective retroactively to October 1, 1999, as follows:

1. Paragraph 5. Rent. (a). Monthly Rent. is deleted in its entirety and the following is substituted in its place:

"(a) Monthly Rent During the First Five Years. Rent for and during the first twelve (12) months of the term shall be \$566.29 monthly; rent for and during the remaining months of the first five (5) years of the term shall be the sum of \$1,132.58 monthly."

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

DATED: October 28, 1999

Approved as to content
for District:


General Manager

SANTA MARIA PUBLIC AIRPORT DISTRICT


By 
VICTOR H. BOUQUET, President

Approved as to form
for District:


District Counsel

By 
JANICE DUNN, Secretary

ARCTIC AIR SERVICE, INC.

By 
WALT ATTEBERY, President

By 
PAULINE ATTEBERY, Secretary

:tgw
C:\DOCUMENTWORD\LEASES\1ARTICGA.DOC

EXECUTION COPY

SECOND AMENDMENT OF GROUND LEASE - AIRCRAFT SERVICE CENTER

RE: Ground Lease - Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, covering the Aircraft Service Center at Santa Maria Public Airport for term expiring April 30, 2039 (the "Lease")

The undersigned SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and ARCTIC AIR SERVICE, INC., ("Tenant") do hereby agree to amend the above-referenced Lease, effective November 1, 2000, as follows:

1. Paragraph 1, Leased Premises, is deleted in its entirety and the following is substituted in its place:

1. Leased Premises. District hereby leases to Tenant, and Tenant hires from District, for the term and rents, and upon the terms, conditions and covenants contained herein, the unimproved real property at the Santa Maria Public Airport (the "Airport") in Santa Maria, California, consisting of approximately 2.186 acres within Assessor's Parcel No. 111-230-88, generally located at the northeast corner of the intersection of Blosser Road and the southerly boundary of the Airport operating area, as further described in Exhibit "A" dated September 12, 2000, attached hereto and incorporated by this reference, and as shown in green on the 2-page plot plan marked Exhibit "B-1" dated September, 2000, and Exhibit "B-2", attached hereto and made a part hereof (herein referred to as the "Premises" or "Leased Premises") subject to all existing and future easements, rights, encumbrances, rights-of-way, and matters of record.

Tenant is aware that the Premises are not a legal parcel. If the City of Santa Maria requires a parcel map for development of the Premises, Tenant shall pay all costs.

2. Paragraph 2, Lease Term, is deleted in its entirety and the following is substituted in its place:

2. Lease Term. The term of this Lease shall be for a forty (40) year period commencing November 1, 2000, and expiring, unless sooner terminated as hereinafter provided, at midnight on October 31, 2040 (hereinafter referred to as the "lease term" or "term of this Lease"). Rent paid prior to November 1, 2000 shall not be refunded.

3. Paragraph 4, Right of First Refusal - Adjoining One-Acre Parcel, is deleted in its entirety and the following substituted in its place:

4. Right of First Refusal - Adjoining One-Acre Parcel. Tenant shall have a 5-year right of first refusal, commencing retroactively on March 11, 1999, and expiring at 5:00 p.m. on ~~April 30, 2004~~, to lease an approximate 1.06 acre parcel (191 feet x 241 feet or 46,031 square feet) immediately to the north and

NOV 1, 2005
EXECUTION COPY

northwest of the Premises (the "Northwest Property") as depicted and described on Exhibit "C" dated 7/27/00, attached hereto and incorporated by this reference, upon such terms and conditions as may be acceptable to District.

4. Paragraph 5.a, Monthly Rent During the First Five Years, is deleted in its entirety and the following is substituted in its place:

5.a. Monthly Rent During the First Five Years. Rent for and during the period May 1, 1999 to the date Tenant first commences construction on the Premises, or December 31, 2000, whichever first occurs, shall be \$566.29 per month; rent for and during each of the remaining months of the first five (5) years of the term shall be the sum of \$1,132.58 monthly.

4. Paragraph 5.c, Monthly Rent for First Five Years of Each Decade After the First Decade Set by appraisal is deleted in its entirety and the following is substituted in its place:

5.c. Monthly Rent For First Five Years of Each Decade After the First Decade Set by Appraisal. The term "decade" means each period of ten (10) years during the term of this lease. The "first decade" is the ten-year period beginning on the commencement date of the lease term; the "second decade" is the ten-year period beginning on the first day following the first decade, and so on. A new monthly rent shall be determined every ten (10) years by appraisal as hereinafter provided. District shall select the appraiser. District and Tenant shall share the cost and expense of the appraisal. The rent payable monthly for and during the first five (5) years of each decade, after the first decade, shall be an amount obtained by multiplying (i) a decimal factor of .00667 by (ii) the fair market value of the Premises determined by appraisal as of the one hundred twentieth (120th) day prior to the commencement date of the particular decade for which the new monthly rent is to be determined (the "Valuation Date") prorated to the original leasehold size of 2.0 acres; provided, the new monthly rent set by appraisal shall not be less than the monthly rent immediately prior to appraisal. The rent shall be based on the fair market value of 2.0 acres of land (instead of 2.186 acres) because, subsequent to execution of the lease, the parties agreed to relocate and reconfigure the leasehold to avoid underground drainage lines. The slight increase in acreage occurred as a result of the relocation and reconfiguration through no fault of Tenant. The foregoing decimal factor of .00667 is a monthly capitalization rate applied to the fair market value of the Premises so as to yield an imputed annual return of 8% per annum on the fair market value of the Premises as appraised and is computed by the following formula:

$$\begin{aligned} A/B &= .00667 \\ A &= .08 \text{ (annual return of 8\%)} \\ B &= 12.0 \text{ (12 calendar months)} \end{aligned}$$

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

Each appraiser shall certify that he/she has personally inspected the Premises and all properties used as comparisons, that he/she has no past, present or contemplated future interest in the Premises or any part thereof, that the compensation to be received by him/her from any source for making the appraisal is solely in accordance with this lease, that he/she has followed the instructions as set forth in Section 5(e) for valuing the Premises, that neither his/her employment to make the appraisal nor his/her compensation therefor is contingent upon reporting a predetermined value or a value within a predetermined range of values, that he/she has had at least seven (7) years full-time professional experience as a commercial real estate appraiser in the City of Santa Maria, that he/she is a member of the American Institute of Real Estate Appraisers or successor thereto or the Society of Real Estate Appraisers or successor thereto (or, if neither such institute nor society nor a successor is in existence, a disinterested real estate appraiser having appropriate qualifications to appraise commercial real estate), and that his/her appraisal was prepared in conformity with the standards of professional practice of the institute or society or successor thereto.

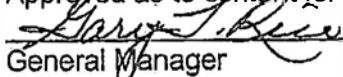
5. Paragraph 6.b, Schedule of Improvements, is deleted in its entirety and the following substituted in its place:

6.b. Schedule of Improvements. Tenant shall begin construction and installation of the improvements by December 31, 2000. Tenant shall complete construction of the improvements by June 30, 2001. This deadline may be increased by any delay due to acts of God or actions of third parties not subject to Tenant's control, not to exceed one (1) additional year. If Tenant fails to timely begin and complete construction, District may terminate this Lease after thirty (30) days' notice of its intent to terminate.

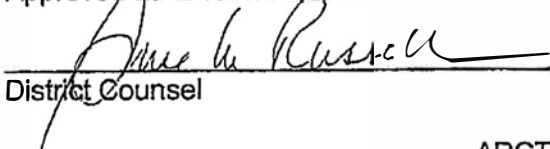
All of the terms, covenants, conditions, provisions and agreements of said Lease, as amended herein, shall remain in full force and effect.

Dated: October 23, 2000

Approved as to content for District:


General Manager

Approved as to form for District:


District Counsel

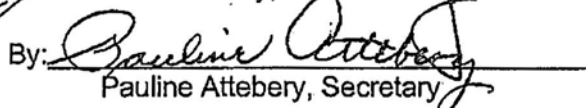
SANTA MARIA PUBLIC AIRPORT DISTRICT

By: 
Theodore J. Eckert, President

By: 
Victoria Adams, Secretary

ARCTIC AIR SERVICE, INC., a California corporation

By: 
Walt Attebery, President

By: 
Pauline Attebery, Secretary

**EXHIBIT A
LEGAL DESCRIPTION**

A PORTION OF SECTIONS 3 AND 4 OF TOWNSHIP 9 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID SECTION 3 AS SHOWN ON MAP FILED IN BOOK 115 AT PAGE 22 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE SOUTH 00 DEGREES 35 MINUTES 30 SECONDS WEST, 1035.43 FEET ALONG THE WESTERLY LINE OF SAID SECTION 3, TO THE TRUE POINT OF BEGINNING (SAID LINE CITED AS NORTH 00 DEGREES 35 MINUTES 59 SECONDS EAST ON SAID MAP);

THENCE SOUTH 88 DEGREES 10 MINUTES 41 SECONDS EAST, 137.33 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 217.90 FEET (A RADIAL LINE BEARS SOUTH 53 DEGREES 20 MINUTES 47 SECONDS WEST);

THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 14.26 FEET THROUGH A CENTRAL ANGLE OF 03 DEGREES 45 MINUTES 00 SECONDS;

THENCE SOUTH 02 DEGREES 00 MINUTES 24 SECONDS WEST, 82.11 FEET;

THENCE SOUTH 88 DEGREES 04 MINUTES 55 SECONDS EAST, 35.76 FEET;

THENCE SOUTH 01 DEGREES 57 MINUTES 10 SECONDS WEST, 101.51 FEET;

THENCE SOUTH 88 DEGREES 03 MINUTES 36 SECONDS EAST, 89.20 FEET;

THENCE SOUTH 01 DEGREES 49 MINUTES 19 SECONDS WEST, 217.35 FEET;

THENCE NORTH 88 DEGREES 08 MINUTES 22 SECONDS WEST, 281.00 FEET;

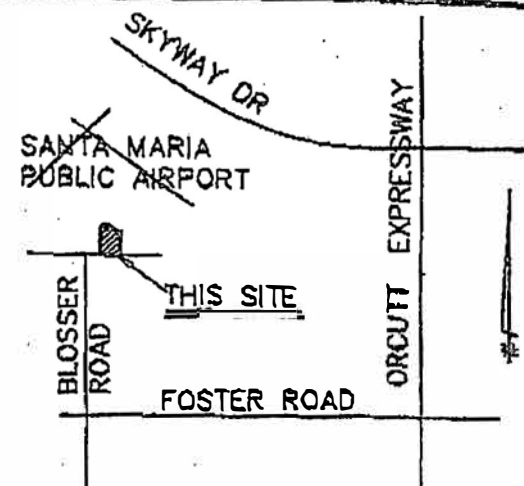
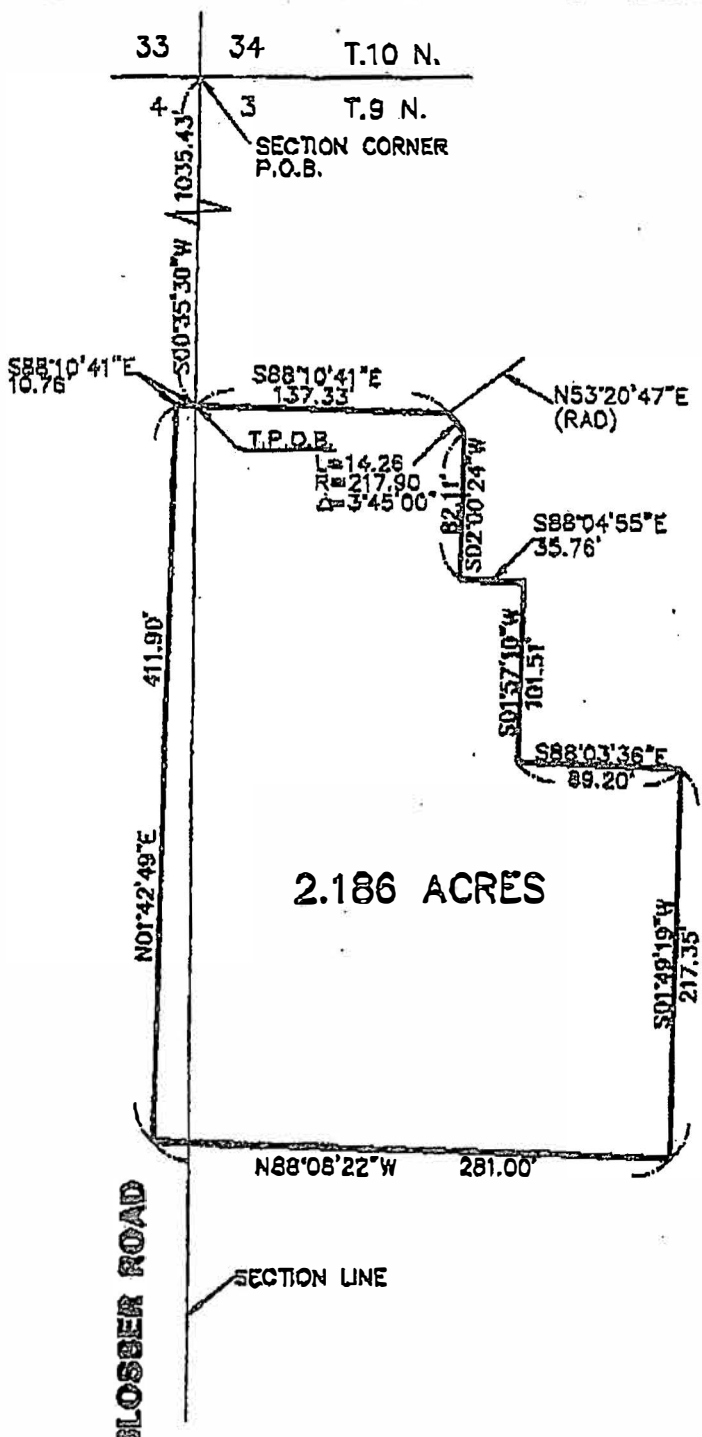
THENCE NORTH 01 DEGREES 42 MINUTES 49 SECONDS EAST, 411.90 FEET;

THENCE SOUTH 88 DEGREES 10 MINUTES 41 SECONDS EAST, 10.76 FEET TO THE TRUE POINT OF BEGINNING, AND CONTAINING 2.186 ACRES.

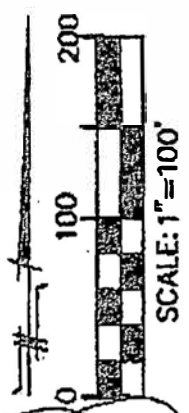
(SEE ATTACHED EXHIBIT B MADE A PART HEREOF)

Kenny L. Fargen 9-12-00
KENNY L. FARGEN L.S. 4547 DATE
LICENSE EXPIRATION DATE: 9-30-03
(Arcticair3.doc)





VICINITY MAP
NO SCALE



FARGEN SURVEYS INC.

2450 PROFESSIONAL PARKWAY, SUITE 210
SANTA MARIA, CALIFORNIA 93455
PHONE: 805-934-5727
DATE: SEPT., 2000

EXHIBIT "B" - 1

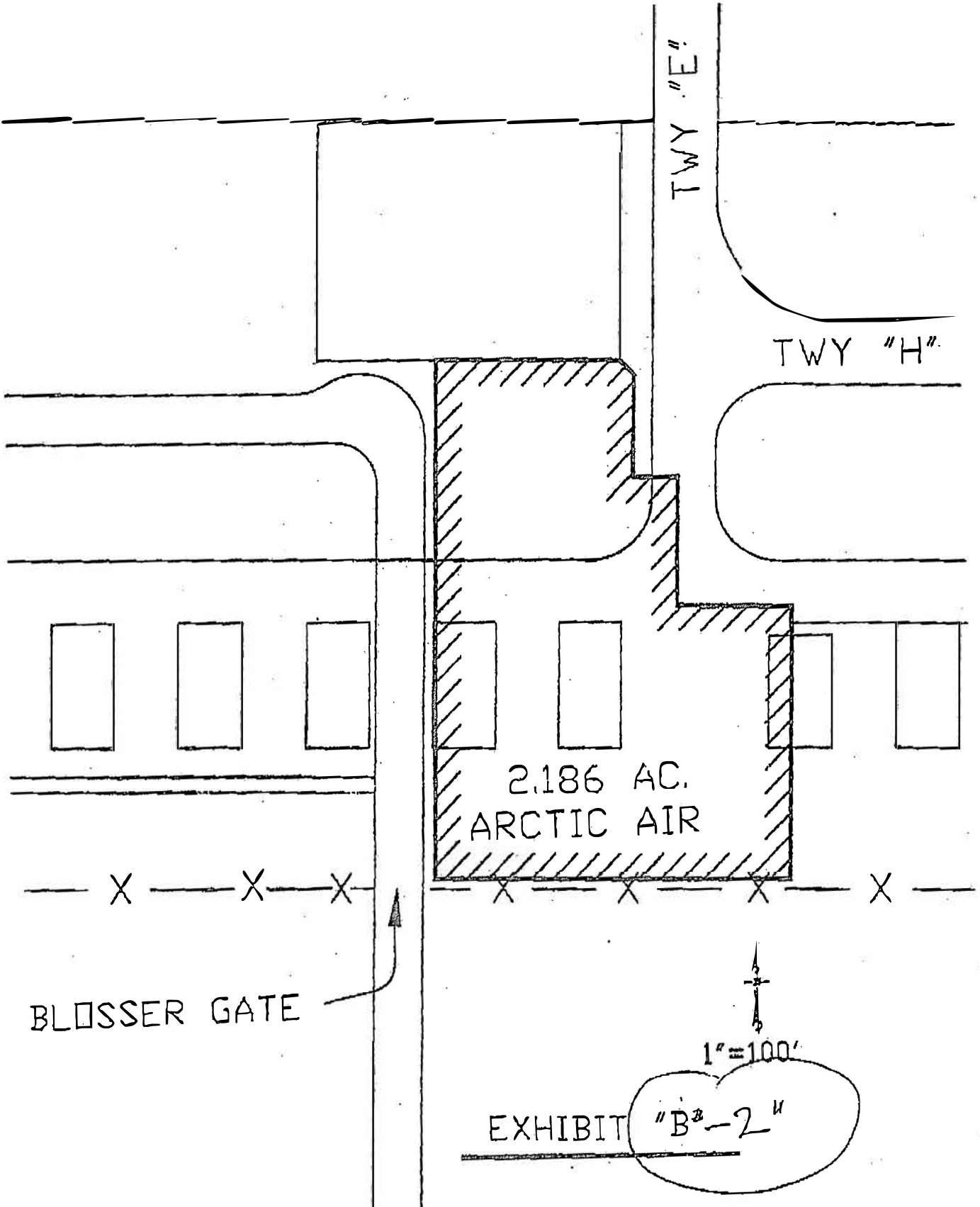
A PORTION OF SECTIONS 3 AND 4
TOWNSHIP 9 NORTH, RANGE 34 WEST,
SAN BERNARDINO MERIDIAN, IN THE
CITY OF SANTA MARIA, COUNTY OF
SANTA BARBARA, STATE OF CALIFORNIA.

10/13/00 14:57
SEP-25-00 MON 15:01

805 541 6870
SM P IC AIRPORT DIST

DIEHL & RODEWALD
FAX NO. 80592 77

007/008
P. 03

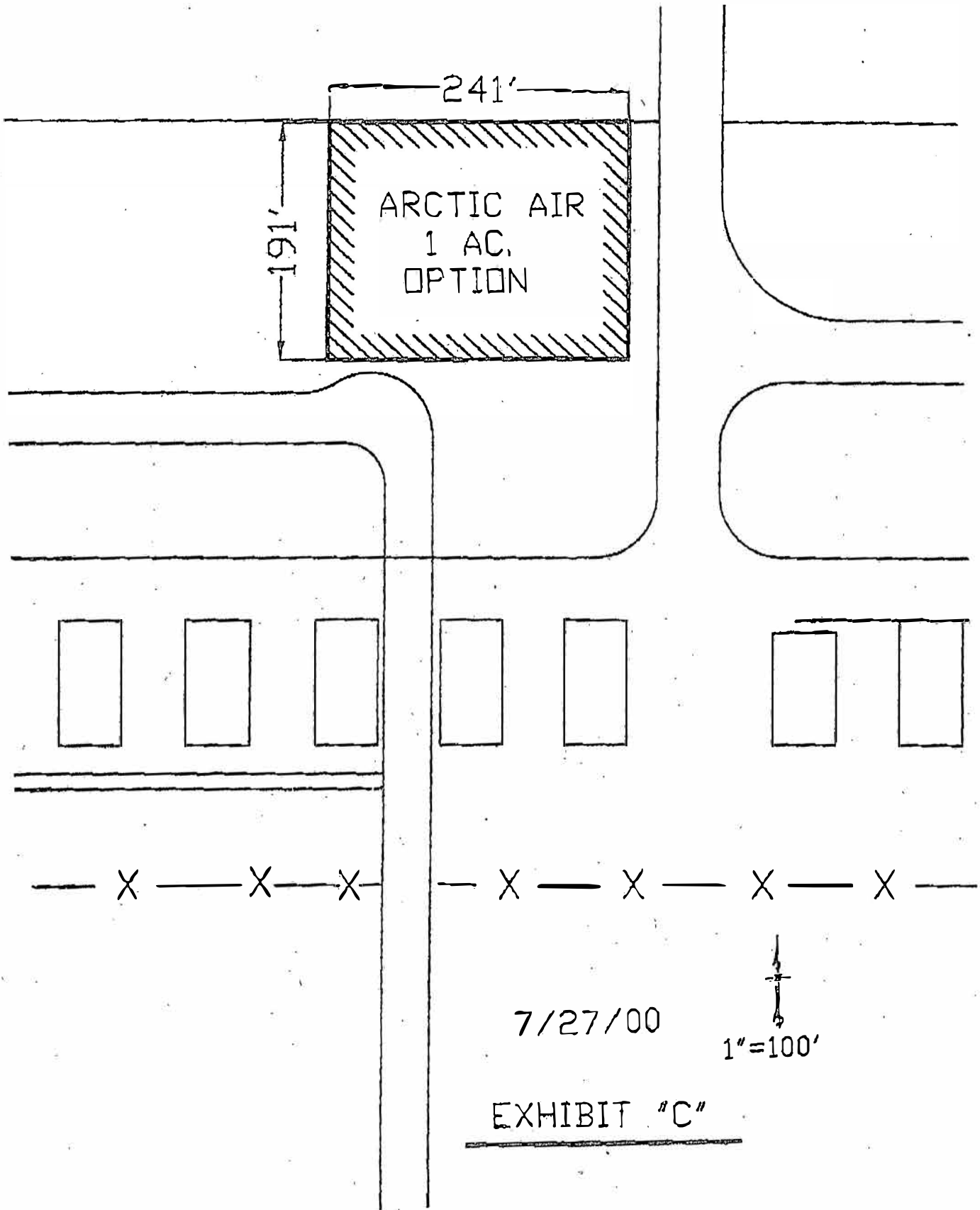


10/13/00 14:58
SEP-25-00 MON 15:02

805 5" 6870
SM I .IC AIRPORT DIST

DIEHL&RODEWALD
FAX NO. 80592 577

008/008
P. 04



7/27/00

1"=100'

EXHIBIT "C"

THIRD AMENDMENT OF GROUND LEASE - AIRCRAFT SERVICE CENTER

RE: Ground Lease - Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, covering the Aircraft Service Center at Santa Maria Public Airport for term expiring April 30, 2039 (the "Lease")

The undersigned SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and ARCTIC AIR SERVICE, INC., ("Tenant") do hereby agree to amend the above-referenced Lease, effective April 12, 2001, as follows:

1. Paragraph 5.a, Monthly Rent During the First Five Years, is deleted in its entirety and the following is substituted in its place:

5.a. Monthly Rent During the First Five Years. Rent for and during the period May 1, 1999 to the date Tenant completes construction or receives a certificate of occupancy, whichever first occurs, on the Premises, or August 31, 2001, whichever first occurs, shall be \$566.29 per month; rent for and during each of the remaining months of the first five (5) years of the term shall be the sum of \$1,190.90 monthly.

2. Paragraph 6.b, Schedule of Improvements, is deleted in its entirety and the following substituted in its place:

6.b. Schedule of Improvements. Tenant shall begin construction and installation of the improvements by December 31, 2000. Tenant shall complete construction of the improvements by August 31, 2001. This deadline may be increased by any delay due to acts of God or actions of third parties not subject to Tenant's control, not to exceed one (1) additional year. If Tenant fails to timely begin and complete construction, District may terminate this Lease after thirty (30) days' notice of its intent to terminate.

Execution Copy

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


Dated: April 12, 2001

SANTA MARIA PUBLIC AIRPORT DISTRICT

Approved as to content for District:

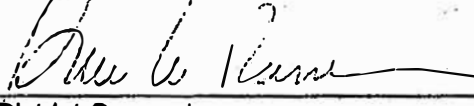


General Manager

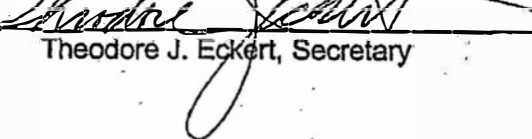
By: 

Victoria Adams, President

Approved as to form for District:

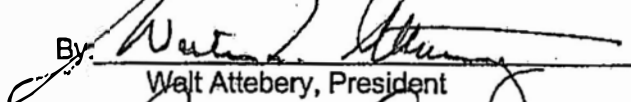


District Counsel

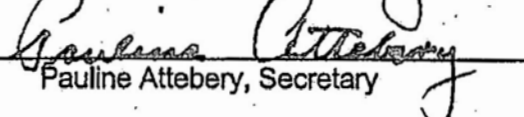
By: 

Theodore J. Eckert, Secretary

ARCTIC AIR SERVICE, INC., a California corporation

By: 

Walt Attebery, President

By: 

Pauline Attebery, Secretary

SMPAD\ARCTIC3D.AMD

FOURTH AMENDMENT OF GROUND LEASE - AIRCRAFT SERVICE CENTER

RE: Ground Lease - Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, covering the Aircraft Service Center at Santa Maria Public Airport for term expiring October 31, 2040 (the "Lease")

The undersigned SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and ARCTIC AIR SERVICE, INC., ("Tenant") do hereby agree to amend the above-referenced Lease, effective July 23, 2001, as follows:

1. Paragraph 5.a, Monthly Rent During the First Five Years, is deleted in its entirety and the following is substituted in its place:

5.a. Monthly Rent During the First Five Years. Rent for and during the period May 1, 1999 to the date Tenant completes construction or receives a certificate of occupancy, whichever first occurs, on the Premises, or August 31, 2002, whichever first occurs, shall be \$566.29 per month; rent for and during each of the remaining months of the first five (5) years of the term shall be the sum of \$1,190.90 monthly.

2. Paragraph 6.b, Schedule of Improvements, is deleted in its entirety and the following substituted in its place:

6.b. Schedule of Improvements. Tenant shall begin construction and installation of the improvements by December 31, 2001. Tenant shall complete construction of the improvements by August 31, 2002. This deadline may be increased by any delay due to acts of God or actions of third parties not subject to Tenant's control, not to exceed one (1) additional year. If Tenant fails to timely begin and complete construction, District may terminate this Lease after thirty (30) days' notice of its intent to terminate.

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

Dated: July 23, 2001

Approved as to content for District:

Gary T. Rice
General Manager

Approved as to form for District:

Pauline Attebery
District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: R.A. Hulme
R.A. Hulme, Acting President

By: Theodore J. Eckert
Theodore J. Eckert, Secretary

ARCTIC AIR SERVICE, INC., a California Corporation

By: Walt Attebery
Walt Attebery, President

By: Pauline Attebery
Pauline Attebery, Secretary

SMPAD\ARCTIC4th.AMD

FIFTH AMENDMENT OF GROUND LEASE - AIRCRAFT SERVICE CENTER

RE: Ground Lease - Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, covering the Aircraft Service Center at the Santa Maria Public Airport for a term expiring October 31, 2040 (the "Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District"), and ARCTIC AIR SERVICE, INC. ("Tenant") do hereby agree to amend the Lease, effective May 30, 2002, as follows:

1. Paragraph 6.g, Bonds, is deleted in its entirety and the following is substituted in its place:

6.g. Irrevocable Letter of Credit/Lien Releases. Tenant shall furnish District with a standby irrevocable letter of credit in an amount not less than \$519,480.00, the estimated cost of completion of the shell (as defined below) of the Improvements, in a form and with a company or institution acceptable to District, within ten (10) days of execution of this Amendment. The purpose of the letter of credit is to ensure the completion of the proposed shell, as defined below, in accordance with the plans and specifications approved by District, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and material suppliers.

The standby letter of credit shall state that the sum of \$519,480 shall be paid to the Santa Maria Public Airport District upon the receipt by the issuer of the letter of credit of a written statement signed by the General Manager of the District to the effect that the Tenant has failed to complete the shell of the Improvements in accordance with the plans and specifications approved by District, free from all liens and claims of contractors, subcontractors, mechanics, laborers, and materials suppliers.

The standby letter of credit shall not be released until the earlier of (1) its expiration date which shall be not less than one year after its issuance, or (2) the date the issuer of the letter of credit receives a written statement from the General Manager of District stating that the shell of the Improvements has been completed. The District shall provide such a statement upon its receipt of a written statement from the general contractor that the shell has been completed, confirmation by District of the same, and District's receipt of unconditional lien releases from all contractors and subcontractors. In the event that the standby letter of credit has not previously been released, no less than thirty (30) days prior to its expiration date, Tenant shall provide to District satisfactory evidence that it has been extended or that a new standby letter of credit which complies with this paragraph 6.g. has been issued.

"Completion of the shell of the Improvements" for purposes of this paragraph 6.g means, at a minimum: pouring of the concrete slab; installation of the steel hangar walls and

roof on the concrete slab; construction of the exterior walls and roof of the attached office building, together with any interior load bearing walls; completion of the exterior of the hangar and the attached office building to the extent that both are weather tight and secure against the elements, with final siding/stucco/metal sides in place, with the hangar capable of safely storing aircraft, and the office building capable of safely storing personal property; and all doors, windows and skylights shall be installed, weather tight and operational, including aircraft hangar doors. In addition, all utilities shall be extended from utility main lines in the nearest street, and shall penetrate through the concrete slab or exterior walls in accordance with approved plans and specifications and all sewer, plumbing, electrical and mechanical systems shall be in place and operational except for installation of fixtures.

In addition, Tenant shall provide District, within ten (10) days of the date of this Amendment, a letter from Santa Barbara Bank & Trust confirming the amount paid to date to contractors, subcontractors, mechanics, laborers, material suppliers or others performing services or providing materials for the benefit of the premises through the date of this Amendment, in an amount not less than \$500,000 for work completed to date on the premises, together with copies of all unconditional releases for all such work completed.

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

Dated: May 30, 2002

Approved as to content for District:

Gary T. Rice
General Manager

Approved as to form for District:

Paul W. Kimmel
District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: *Theodore J. Eckert*
Theodore J. Eckert, President

By: *Victoria Adams*
Victoria Adams, Secretary

ARCTIC AIR SERVICE, INC., a California corporation

By: *Walt Attebery*
Walt Attebery, President

By: *Pauline Attebery*
Pauline Attebery, Secretary

SMPAD\ARCTIC5th.AMD

SIXTH AMENDMENT OF GROUND LEASE -
AIRCRAFT SERVICE CENTER

RE: Ground Lease - Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, covering the Aircraft Service Center at the Santa Maria Public Airport for a term expiring October 31, 2040 (the "Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District"), and ARCTIC AIR SERVICE, INC. ("Tenant") do hereby agree to amend the Lease, effective August 22, 2002, as follows:

1. Paragraph 10, Utilities, is deleted in its entirety and the following is substituted in its place:

"10. Utilities. District shall have no responsibility to provide water, utility service or extensions of any kind to the Premises, and any such water, utility service or extension by Tenant shall be at Tenant's sole cost and expense after consent by District as provided in Paragraph 16 herein; provided, Tenant shall extend the natural gas main line in Blosser Road to the Premises, and District shall reimburse Tenant for the main extension in an amount not to exceed Nine Thousand Six Hundred Seventeen and 60/100 Dollars (\$9,617.60). Tenant shall bear all costs and expense of installation of the service line from the main line to the building located on the Premises and for taxes on the installation of the main line (\$1,795.36). Tenant hereby assigns all of its right, title and interest in and to the contract for 3820 Blosser Road, Santa Maria, California, between Southern California Gas Company and Tenant, dated May 23, 2002, covering the installation of main and service in the City of Santa Maria, California (the "Contract"). Tenant expressly assigns to District its right to receive allowances from Southern California Gas Company for all future natural gas hook-ups to the main line installed by Tenant, or to main line extensions beyond the Premises. District does not assume any liability under the Contract. Tenant shall be responsible for all obligations under the Contract, including, but not limited to, warranty of all materials and workmanship associated with the installation, indemnification, attorneys' fees, and liability for the difference between estimated and actual gas usage allowances. Within ten (10) calendar days of District's request, Tenant shall execute an "Assignment of Contract" in a form acceptable to District and Southern California Gas Co. This shall not occur prior to Tenant turning the natural gas meter on at the Premises and beginning natural gas service. Tenant shall indemnify, defend and hold District harmless from and against any sums due under the Contract dated 5/23/02 with the Southern California Gas Company other than District's reimbursement of the \$9,617.60 for construction of the natural gas main line in Blosser Road. Any loss, demands or liabilities District incurs as a result of the May 23, 2002, contract with Southern California Gas shall be considered additional rent, and shall be due and payable to District within ten (10) calendar days after demand therefore."

2. Paragraph 6.b, Schedule of Improvements, is deleted in its entirety and the following substituted in its place:

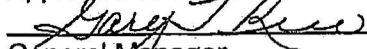
"6.b. Schedule of Improvements. Tenant shall begin construction and installation of the improvements by December 31, 2001. Tenant shall complete construction of the improvements by December 31, 2002. This deadline may be increased by any delay due to acts of God, or actions of third parties not subject to Tenant's control, not to exceed one (1) additional year. If Tenant fails to timely begin and complete construction, District may terminate this Lease after thirty (30) days notice of its intent to terminate."

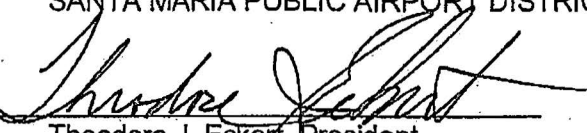
All of the terms, covenants, conditions, provisions and agreements of said Lease, as amended, shall remain in full force and effect.

Dated: August 22, 2002

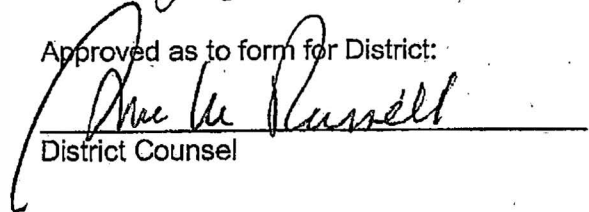
SANTA MARIA PUBLIC AIRPORT DISTRICT

Approved as to content for District:


General Manager

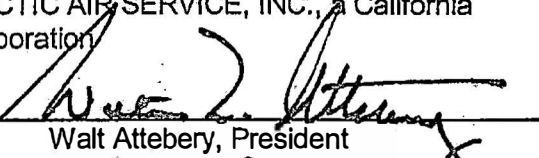
By: 
Theodore J. Eckert, President

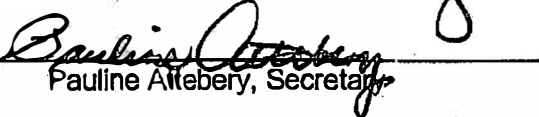
Approved as to form for District:


District Counsel

By: 
Victoria Adams, Secretary

ARCTIC AIR SERVICE, INC., a California corporation

By: 
Walt Attebery, President

By: 
Pauline Attebery, Secretary

SMPAD\ARCTIC6th.AMD

SEVENTH AMENDMENT OF GROUND LEASE -
AIRCRAFT SERVICE CENTER

RE: Ground Lease - Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, covering the Aircraft Service Center at the Santa Maria Public Airport for a term expiring October 31, 2040 (the "Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District"), and ARCTIC AIR SERVICE, INC. ("Tenant") do hereby agree to amend the Lease, effective October 10, 2002, as follows:

1. Paragraph 5.a, Monthly Rent During the First Five Years, is deleted in its entirety and the following is substituted in its place;

5.a. Monthly Rent During the First Five Years. Rent for and during the period May 1, 1999 to the date Tenant completes construction, receives a certificate of occupancy, or November 30, 2002, whichever first occurs, shall be \$566.29 per month; rent for and during each of the remaining months of the first five (5) years of the term shall be the sum of \$1,190.90 monthly.

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

Dated: October 10, 2002

Approved as to content for District:

Gary T. Rice
General Manager

Approved as to form for District:

Mike McRae
District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: Theodore J. Eckert
Theodore J. Eckert, President

By: Victoria Adams
Victoria Adams, Secretary

ARCTIC AIR SERVICE, INC., a California corporation

By: Walt Attebery
Walt Attebery, President

By: Pauline Attebery
Pauline Attebery, Secretary

EIGHTH AMENDMENT OF GROUND LEASE --
AIRCRAFT SERVICE CENTER

RE: Ground Lease – Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, as assigned to ARCTICA JET, LLC, a California limited liability company, covering land at the Santa Maria Public Airport for a term expiring October 31, 2040 ("Lease").

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and ARCTICA JET, LLC ("Tenant") do hereby agree to amend the above-referenced Lease effective June 24, 2005, as follows:

1. Paragraph 1, Leased Premises, is deleted in its entirety, and the following is substituted in its place:

"1. Leased Premises. Effective June 24, 2005, the Premises are increased to include a portion of the Northwest Property, (defined in the Second Amendment of Lease) consisting of an approximate 0.24-acre parcel (approximately 10,442.08 square feet) of unimproved property immediately to the north and northwest of the existing Premises, on which Tenant had a right of first refusal. District hereby leases to Tenant, and Tenant hires from District, for the term and rent, and upon the terms, conditions and covenants contained herein, unimproved land which now consists of approximately 2.426 acres (2.186 acres of the existing Premises plus the 0.24-acre portion of the Northwest Property) at the northeast corner of the intersection of Blosser Road and the southern boundary of the Airport Operating Area. The Premises are shown in green on the one-page plot plan marked Exhibit "B" dated 6/1/05, attached and incorporated by this reference (as amended, the "Premises") subject to all existing and future easements, rights, encumbrances, rights of way and matters of record. Exhibit "B" attached to the original Lease is deleted in its entirety. Exhibit "B-1" dated September 2000, and Exhibit "B-2", both attached to the Second Amendment, are deleted in their entirety.

"Tenant is aware that the Premises are not a legal parcel. If the City of Santa Maria requires a parcel map for development of the Premises, Tenant shall pay all costs. If a survey is required by Tenant's lender, then Tenant shall pay all costs.

"Tenant acknowledges that there are utilities and pipes in place, and setbacks, including setbacks imposed by the Federal Aviation Administration, which will restrict the size and location of any structure that may be built on the Northwest Property portion of the Premises.

"District reserves the right to construct, replace, enlarge, improve, and maintain drainage and other pipes, conduits and utilities which now or in the future may cross the Premises. Tenant has declined an offer to pay the difference between HDPE pipe, and concrete pipe, which could bear greater weight loads on existing drainage line adjacent to the Premises, on the remaining portion of the Northwest Property. Tenant shall be liable for any damage to pipes, conduits or utilities caused by its improvements on, or use of, the Premises."

2. Paragraph 4, Right of First Refusal – Adjoining One-Acre Parcel, is deleted in its entirety and the following substituted in its place:

"4. Right of First Refusal – Adjoining 0.82-Acre Parcel. Tenant shall have a two (2)-year right of first refusal, commencing on July 1, 2005 and expiring at 5:00 p.m. on June 30, 2007 to lease the remainder of the Northwest Property, now consisting of an approximate 0.82-acre parcel immediately to the north and northwest of the Premises, as depicted and described on Exhibit "C" dated 6/1/05, attached and incorporated by this reference, if District chooses to lease the property, upon such terms and conditions as may be acceptable to District. Exhibit "C" dated 7/27/00 is deleted in its entirety."

JUN 28 2005

3. Rent. Effective June 24, 2005, the monthly rent shall be increased by \$208.84 from \$1,190.90 to \$1,399.74. The rent for the Northwest Property in the amount of \$208.84 per month is calculated at the rate of \$0.02 per square foot per month, as opposed to the \$0.013 per square foot per month charged for the original Premises at the commencement of the lease. Effective November 1, 2005, the rent for the original Premises only (\$1,190.90) shall be increased by the change in the CPI pursuant to Paragraph 5.b of the Lease. No CPI adjustment shall be made November 1, 2005 to the rent attributable to the portion of the Northwest Property of the Premises added by this Amendment. However, after November 1, 2005, the entire Premises shall be subject to rent adjustment in accordance with all other terms and conditions of the Lease; provided, for reappraisal purposes in accordance with Paragraph 5.c, the Premises shall be deemed to consist of only 2.24 acres, as opposed to the actual 2.426 acres. (The Second Amendment decreed that the adjustment in the monthly rent for the first five (5) years of each decade after the first decade would be set by appraisal based on the fair market value of 2.0 acres of land (instead of 2.186 acres actually leased) because the leasehold was relocated and reconfigured to avoid underground drainage lines which resulted in the slight increase in acreage through no fault of Tenant.) Therefore, the 2.0 acres under the Second Amendment and the 0.24 acres under this Eighth Amendment, equal 2.24 acres to be used for establishment of rent by reappraisal purposes under Paragraph 5.c."

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

Dated: June 23, 2005

SANTA MARIA PUBLIC AIRPORT DISTRICT

Approved as to content for District:

Gary T. Rice
General Manager

Carl Enger Jr.
Carl Enger Jr., President

Approved as to form for District:

Donna W. Russell
District Counsel

Theodore J. Eckert
Theodore J. Eckert, Secretary

TENANT:

ARCTICA JET, LLC

[Signature] *[Signature]*
Manager/Member

Manager/Member

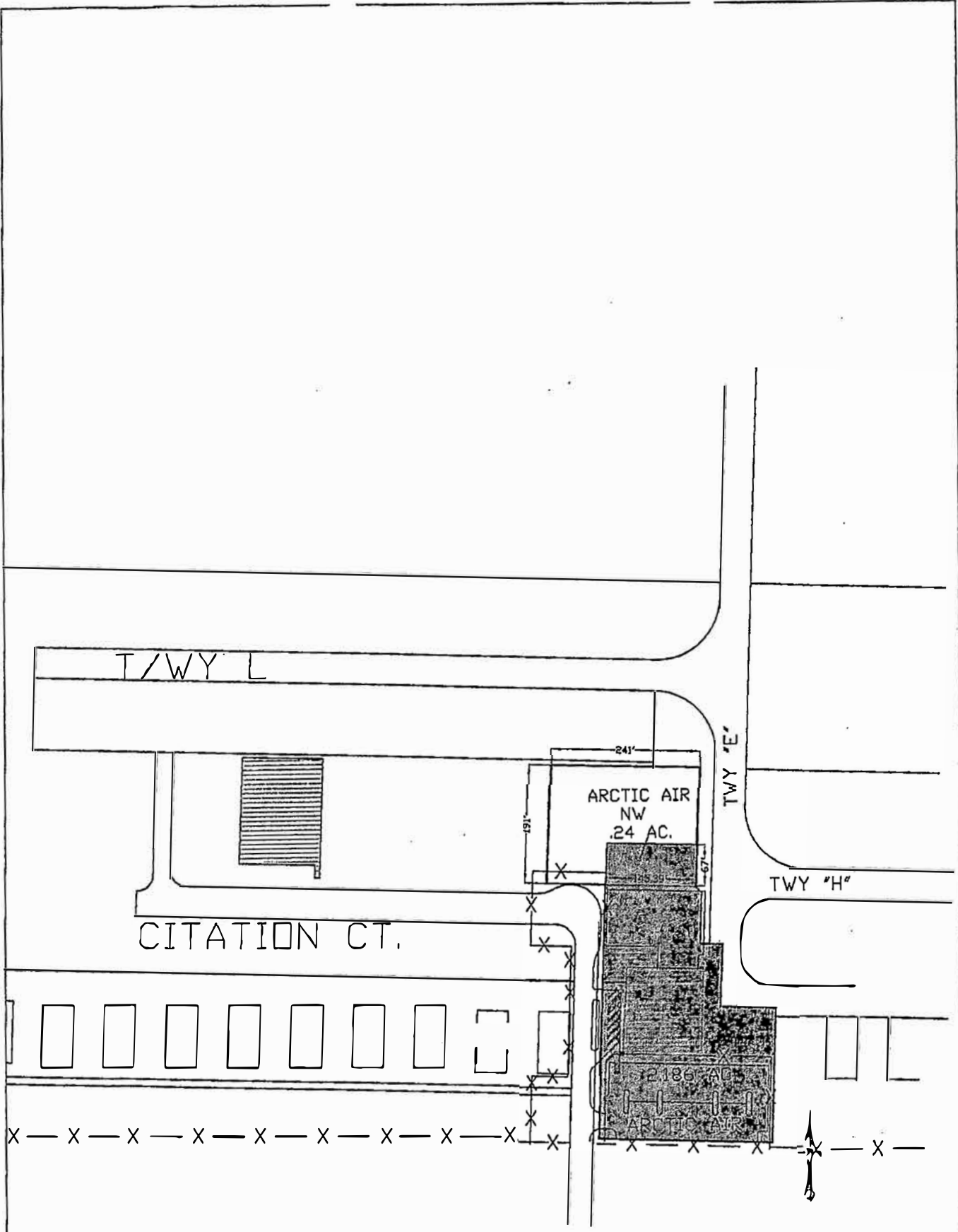



EXHIBIT "B"

6/1/05

 <p>SANTAMARIA PUBLIC AIRPORT DISTRICT</p>	<p>3217 TERMINAL DR. SANTA MARIA, CA 93456 (805) 922-1726</p>	<p>REVISIONS</p> <table border="1"> <tr> <th>DATE</th> <th>BY</th> </tr> <tr> <td>4/20/05</td> <td>IRH</td> </tr> </table>	DATE	BY	4/20/05	IRH	<p>DRAWN BY: GJK</p>	<p>APPROVED</p> <p>BY: _____</p> <p>DATE: _____</p>	<p>ARCTIC AIR</p>	<p>DRAWING NUMBER</p> <p>arctic</p>
		DATE	BY							
4/20/05	IRH									
				<p>SHEET 1 OF 1</p>						

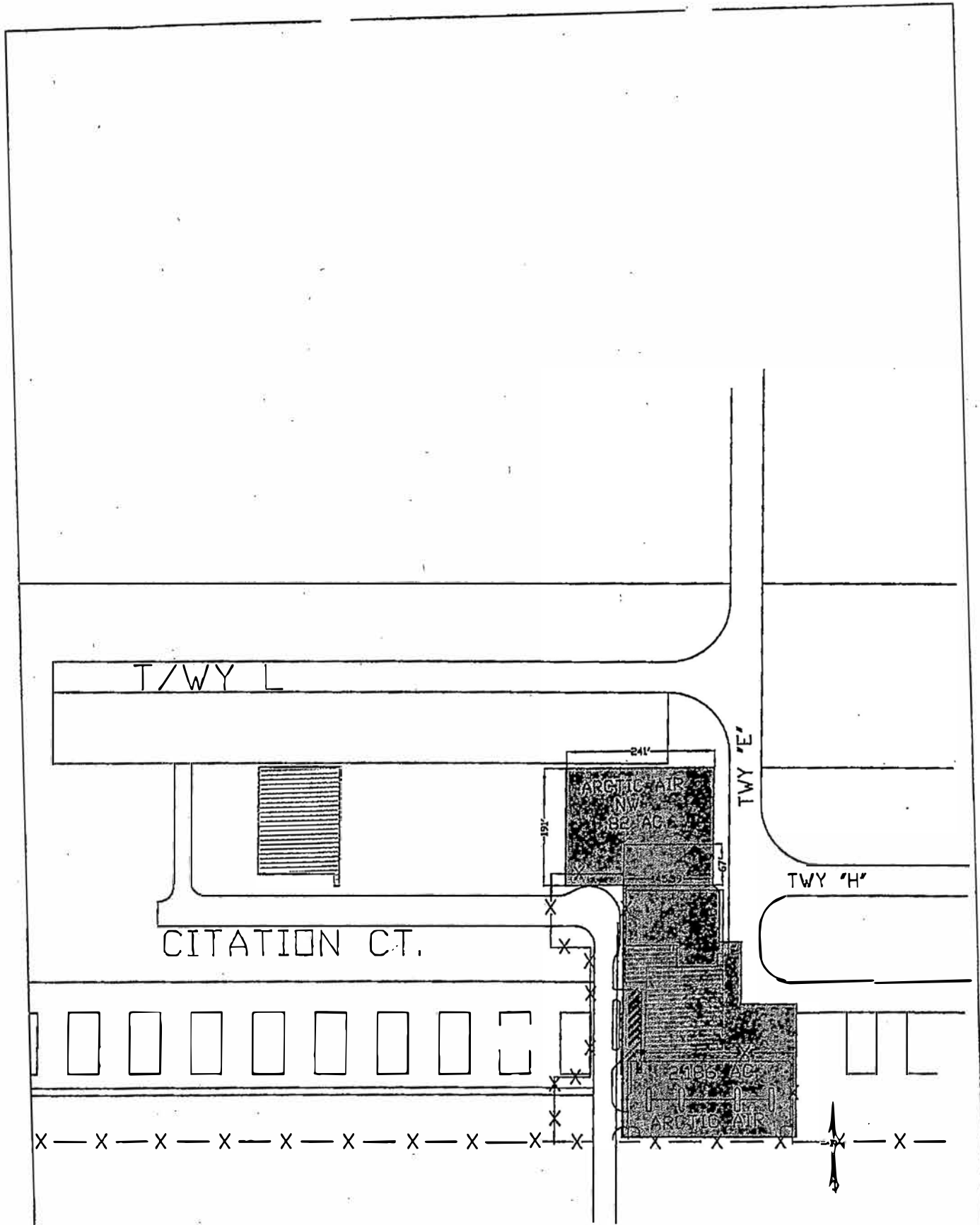


EXHIBIT "C"

6/1/05



9217 TERMINAL DR.
SANTA MARIA, CA
93456.
(805) 922-1726

REVISIONS	
DATE	BY
4/20/05	ROI

DRAWN BY:
ROI

APPROVED:
BY: _____
DATE: _____

ARCTIC AIR

DRAWING NUMBER
arctic
SHEET 1 OF 1

EXHIBIT B

~~ Begins on Next Page ~~

ASSIGNMENT

The Assignment of Lease is made this dates this 22nd day of May, 2003, by and between THE ARCTIC AIR SERVICE, INC., a California Corporation, hereinafter called "Tenant" or "Assignor", and ARCTICA JET LLC, a California Limited Liability Company, hereinafter called "Assignee".

Recitals

a. Tenant and Santa Maria Public Airport District (hereinafter called "Landlord" or "District") made and entered into a written ground lease dated March 11, 1999, for approximately two(2) acres of land at the SANTA MARIA PUBLIC AIRPORT, Santa Maria, California, now known as 3820 S. Blosser Rd., Santa Maria, CA 93455-2500, hereinafter referred to as the "Lease". A true copy of the Lease, with First, through and including Seventh Amendment of Lease attached is marked Exhibit "A" and incorporated herein in full by this reference.

b. Tenant requests the District to consent to an Assignment of the Lease to Assignee, ARCTICA JET, LLC.

Now, therefore, the ARCTICA parties agree as follows:

Assignment

1. **Assignment.** As of the effective date referred to herein, Assignor assigns and transfers to Assignee all right, title, and interest in the Lease and Assignee accepts from Assignor all right, title, and interest, subject to the terms and conditions set forth in this Agreement.

2. **Effective Date of Assignment.** The Assignment shall be effective on June 1, 2003, provided Tenant/Assignor is not in default under the terms of the Lease.

3. **Assumption of Lease Obligations.** Assignee assumes and agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor as lessee under the Lease, as of the effective date, including timely payment of any and all payments due to or payable on behalf of Lessor under the Lease as they become due and payable.

4. **Assignor's Covenants.** Assignor covenants that the copy of the Lease, attached hereto as Exhibit "A", is a true and accurate copy of said document.

5. **Further Assignments.** Assignee shall not further assign or transfer any interest in the Lease and/or Leased Premises.

6. **Litigation Costs and Attorney Fees.** In the event of any action or proceeding brought by either party against the other under this Assignment Agreement

the prevailing party shall be entitled to recover all costs, expenses, expert witness expenses and attorneys' fees in such action or proceeding including costs of appeal, if any, in such amounts as are reasonable. In addition, should it be necessary for the District to employ legal counsel to enforce any of its provisions herein contained, Tenant and Assignee agree to pay all attorneys' fees and costs reasonably incurred.

7. **Indemnification.** Assignor indemnifies Assignee from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignor to fulfill Assignor's obligations under the Lease, and accruing with respect to the period on or prior to the effective date of this Assignment. Assignee indemnifies Assignor from and against any loss, cost, or expense, including attorney fees and court costs relating to the failure of Assignee to fulfill obligations under the Lease, and accruing with respect to the period subsequent to the effective date of this Assignment. Assignor states that no other assignment by Assignor exists in connection with the Lease.

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

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

10. **Notices.** Shall be given as set forth in paragraph 28 of the Lease, except future notices to Tenant/Assignor and Assignee shall be sent to 3820 S. Blosser Road, Santa Maria, CA 93455-2500.

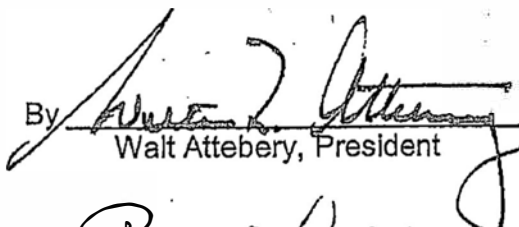
11. **Recitals.** The recitals set forth in this Agreement are true and correct and are hereby incorporated herein by this reference.

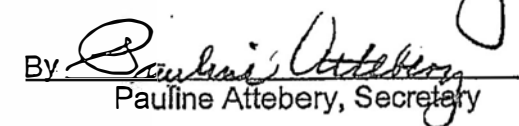
ASSIGNOR

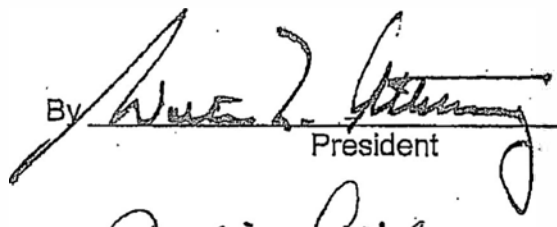
ASSIGNEE

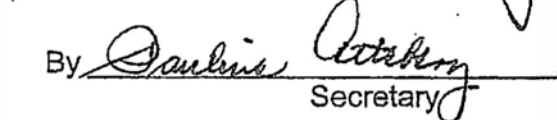
ARCTIC AIR SERVICE, INC.

ARCTICA JET, LLC.

By 
Walt Attebery, President

By 
Pauline Attebery, Secretary

By 
Walt Attebery, President

By 
Pauline Attebery, Secretary

Consent of Landlord

The undersigned, as Landlord under the Lease, hereby consents to the Assignment of Lease from ARCTIC AIR SERVICE, INC., Assignor, to ARCTICA JET, LLC, Assignee. Landlord's consent to this assignment shall in no way be deemed a waiver of its rights under Paragraph 26 of the Lease, Assignment, Subletting, and Encumbering.

District

Approved as to content
For District:

Gary J. Rice
General Manager

Approved as to form
For District:

John W. Russell
District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

By Richard Hulme
Richard Hulme, President

By Hal Herich
Hal Herich, Secretary

Exhibit "C"

Legal Description

A.P.N.: 111-231-011

Real property in the City of Santa Maria, County of Santa Barbara, State of California, described as follows:

A PORTION OF SECTIONS 3 AND 4, TOWNSHIP 9 NORTH, RANGE 34 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID SECTION 3 AS SHOWN ON MAP FILED IN BOOK 115 AT PAGE 22 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE SOUTH 00°35'30" WEST, 1035.43 FEET ALONG THE WESTERLY LINE OF SAID SECTION 3, TO THE TRUE POINT OF BEGINNING (SAID LINE CITED AS NORTH 00°35'59" EAST ON SAID MAP); THENCE SOUTH 88°10'41" EAST, 137.33 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 217.90 FEET (A RADIAL BEARS SOUTH 53°20'47" WEST); THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 14.26 FEET THROUGH A CENTRAL ANGLE OF 03°45'00"; THENCE SOUTH 02°00'24" WEST, 82.11 FEET; THENCE SOUTH 88°04'55" EAST, 35.76 FEET; THENCE SOUTH 01°57'10" WEST, 101.51 FEET; THENCE SOUTH 88°03'38" EAST, 89.20 FEET; THENCE SOUTH 01°49'19" WEST, 217.35 FEET; THENCE NORTH 88°08'22" WEST, 281.00 FEET; THENCE NORTH 01°42'49" EAST, 411.90 FEET; THENCE SOUTH 88°10'41" EAST, 10.76 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH A STRIP OF LAND 67 FEET IN WIDTH LYING NORTH AND ADJACENT TO THE ENTIRE NORTHERN BOUNDARY OF THE ABOVE DESCRIBED LAND. THE ABOVE DESCRIBED LAND AND SAID 67 FOOT WIDE STRIP OF LAND ARE SHOWN WITH A CROSS-HATCHED BORDER ON EXHIBIT A-2 ATTACHED TO THAT CERTAIN MEMORANDUM OF GROUND LEASE RECORDED NOVEMBER 3, 2005 AS INSTRUMENT NO. 2005-0106809, OF OFFICIAL RECORDS.

NINTH AMENDMENT OF GROUND LEASE -
AIRCRAFT SERVICE CENTER

RE: Ground Lease – Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, as assigned to ARCTICA JET, LLC, a California limited liability company, covering land at the Santa Maria Public Airport for a term expiring October 31, 2040 (“Lease”).

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT (“District”) and ARCTICA JET, LLC (“Tenant”) do hereby agree to amend the above-referenced Lease effective October 28, 2010, as follows:

1. Paragraph 5.c, Monthly Rent for First Five Years of Each Decade After the First Decade Set by appraisal is deleted in its entirety and the following is substituted in its place:

5.c. Monthly Rent For First Five Years of Each Decade After the First Decade Set by Appraisal. The term “decade” means each period of ten (10) years during the term of this lease. The “first decade” is the ten-year period beginning on the commencement date of the lease term; the “second decade” is the ten-year period beginning on the first day following the first decade, and so on. A new monthly rent shall be determined every ten (10) years by appraisal as hereinafter provided. District shall select the appraiser, and shall pay the costs and expense of the appraisal; provided, if District has obtained an appraisal of comparable Airport property within the last six (6) months, District may use that appraisal instead. The rent payable monthly prior to discount for and during the first five (5) years of each decade, after the first decade, shall be an amount obtained by multiplying (i) a decimal factor of .00667 by (ii) the fair market value of the Premises determined by appraisal as of the one hundred twentieth (120th) day prior to the commencement date of the particular decade for which the new monthly rent is to be determined (the “Valuation Date”) prorated to a leasehold size of 2.24 acres; provided, the new monthly rent set by appraisal shall not be less than the monthly rent immediately prior to appraisal. The rent shall be based on the fair market value of 2.24 acres of land (instead of 2.426 acres) because, subsequent to execution of the lease, the parties agreed to relocate and reconfigure the leasehold to avoid underground drainage lines. The slight increase in acreage occurred as a result of the relocation and reconfiguration through no fault of Tenant. The foregoing decimal factor of .00667 is a monthly capitalization rate applied to the fair market value of the Premises so as to yield an imputed annual return of 8% per annum on the fair market value of the Premises as appraised and is computed by the following formula:

$$\begin{aligned} A/B &= .00667 \\ A &= .08 \text{ (annual return of 8\%)} \\ B &= 12.0 \text{ (12 calendar months)} \end{aligned}$$

As an aviation related business, a thirty percent (30%) discount will be applied to the above calculated rent. The rate after discount shall be compared and if necessary adjusted as set forth in the following sentence. The districts rate shall not be more than 10% higher than the highest rate in the range of the most current comparable rates at the airports below, or 10% less than the lowest of the range of the most current comparable rates of the airports below:

Camarillo Airport (CMA)
Monterey Peninsula Airport (MRY)
Oxnard Airport (OXR)
Salinas Airport (SNS)
San Luis Obispo Airport (SBP)
Santa Barbara Airport (SBA)

(example: Assume listed airports rates range from \$0.36-\$0.85 per square foot per year. If the rate after discount were to equal \$0.50 per square foot per year the rate shall not be adjusted as it falls within the range. If the rate after discount were to equal \$0.20 per square foot per year the rate shall be adjusted to \$0.324 per square foot per year, which is ten percent (10%) below the range. If the rate after discount were to equal \$1.00 per square foot per year the rate shall be adjusted to \$0.935 per square foot per year, which is ten percent (10%) above the range.

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

Each appraiser shall certify that he/she has personally inspected the property and all properties used as comparison; that he/she has no past, present or contemplated future interest in the property or any part thereof; that the compensation to be received by him/her from any source for making the appraisal is solely in accordance with this policy; that he/she has determined the Fair Market Value of the property based on its highest and best use under applicable or comparable industrial or commercial zoning in the City of Santa Maria; that neither his/her employment to make the appraisal nor his/her compensation for the appraisal is contingent upon reporting a predetermined value or a value within a predetermined range of values; that he/she has had at least seven years' full time professional experience as a commercial and industrial real estate appraiser; that he/she is a member of the American Institute of Real Estate Appraisers or a successor thereto (if none is in existence, a disinterested real estate appraiser having otherwise appropriate qualifications to appraise commercial and industrial real estate) and that his/her appraisal was prepared in conformity with the standards of professional practice of the institute, society, successor, or otherwise.

2. Paragraph 5.d. CPI Adjustment of Monthly Rent in Second Five-Year Period of Each Decade After First Decade is deleted in its entirety and the following is substituted in its place:

5d. The monthly rent determined by appraisal for the first five (5) years of each decade, beginning with the second decade, shall be adjusted upward but not downward, as hereinafter provided, as of the first day of the sixth year of each decade, beginning in the second decade, and the monthly rent so adjusted (herein sometimes referred to as the "CPI Adjusted Base Rent") shall be the monthly rent payable for and during the remaining five (5) years of such decade and shall not exceed a five percent (5%) CPI increase annually. The CPI Adjusted Base Rent will be an amount equal to the monthly rent for the preceding five (5) years increased but not

decreased in the percentage proportion that the CPI Index for the third calendar month immediately preceding the beginning of the sixth year of the decade in which the monthly rent is being adjusted shall be increased over the CPI Index for the first calendar month in which such decade begins.


3. Paragraph 26. Assignment, Subletting and Encumbering is amended to include Paragraph (h) as follows:

26. (h). District shall receive from the tenant a lease transfer fee in the amount of one (1) month's rent at the time of transfer of the leased premises.

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

Dated: October 28, 2010

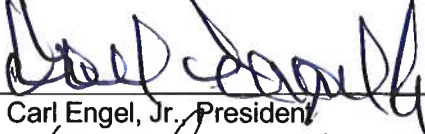
Approved as to content for District:

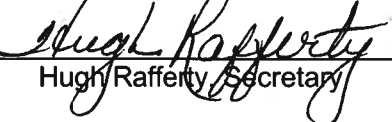

General Manager

Approved as to form for District:


District Counsel

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: 
Carl Engel, Jr., President

By: 
Hugh Rafferty, Secretary

ARCTICA JET, LLC., a California Limited Liability Company

By: 
Pauline Attebery, Member

SMPADIARCTIC9th.AMD

TENTH AMENDMENT OF GROUND LEASE -
AIRCRAFT SERVICE CENTER

RE: Ground Lease – Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, assigned by ARCTIC AIR SERVICE to ARCTICA JET, LLC, a California limited liability company, and subsequently by ARCTICA JET, LLC to MALDONADO COMPANIES, LLC, a California limited liability company covering land at the Santa Maria Public Airport (“Lease”).

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT (“District”) and MALDONADO COMPANIES, LLC (“Tenant”) do hereby agree to amend the above-referenced Lease effective March 25, 2021, as follows:

1. Extension of Term. District grants Tenant a twenty (20) year extension of the Lease, commencing November 1, 2040, and expiring on October 31, 2060. This extension is contingent upon Tenant completing facility improvements adding value to the facility totaling a minimum of \$485,200.00. General maintenance shall not be considered as an improvement to meet this requirement. All qualified improvements shall be completed with 5 years of the execution of this amendment, detailed receipts shall be submitted to the District as proof of investment. Any improvements not listed below as pre-qualified improvements must be approved by the General Manager in writing. Should Tenant invest less than \$485,200 in qualified improvements, the term shall be reduced by one (1) year for each increment of \$24,260 with the reduction of the extension of term rounded up to the nearest year (example- improvements total \$30,000 less than minimum = 2 years reduced from term (\$30,000/\$24,260= 1.2 years, rounded up to a two (2) year reduction in the extended term)).

Pre-qualified improvements:

200 KW – 200,000 WATT solar system installed on 15,000 square foot of roof – Est. \$450,000
Conversion of all interior and exterior lighting – Est. \$42,000
Zero water landscaping (synthetic turf, rock to match existing landscape plans) Est. \$28,000

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

Dated: March 25, 2021

SANTA MARIA PUBLIC AIRPORT DISTRICT

Approved as to content for District:



General Manager

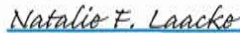
By: 
Steven Brown (Apr 2, 2021 13:54 PDT)

Steve Brown, President

By: 
Hugh Rafferty (Apr 2, 2021 13:56 PDT)

Hugh Rafferty, Secretary

Approved as to form for District:



Natalie F. Laacke (Apr 5, 2021 08:52 PDT)

District Counsel

MALDONADO COMPANIES, LLC., a California Limited Liability Company

By: 
Abel Maldonado (Apr 5, 2021 12:33 PDT)

Abel Maldonado, Manager












Item 7-Maldonado Amendment


Final Audit Report

2021-04-05


Created:	2021-04-02
By:	Kerry Fenton (kfenton@santamariaairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6XE0K44ux_U15uuRa_VWABpWf1cOE3n7

"Item 7-Maldonado Amendment" History


-  Document created by Kerry Fenton (kfenton@santamariaairport.com)
2021-04-02 - 3:40:01 PM GMT- IP address: 50.216.198.146
-  Document emailed to Chris Hastert (chastert@santamariaairport.com) for signature
2021-04-02 - 3:40:38 PM GMT
-  Email viewed by Chris Hastert (chastert@santamariaairport.com)
2021-04-02 - 4:03:12 PM GMT- IP address: 73.92.47.18
-  Document e-signed by Chris Hastert (chastert@santamariaairport.com)
Signature Date: 2021-04-02 - 4:03:37 PM GMT - Time Source: server- IP address: 73.92.47.18
-  Document emailed to Steven Brown (sbrown@santamariaairport.com) for signature
2021-04-02 - 4:03:39 PM GMT
-  Email viewed by Steven Brown (sbrown@santamariaairport.com)
2021-04-02 - 8:53:27 PM GMT- IP address: 24.4.95.253
-  Document e-signed by Steven Brown (sbrown@santamariaairport.com)
Signature Date: 2021-04-02 - 8:54:09 PM GMT - Time Source: server- IP address: 24.4.95.253
-  Document emailed to Hugh Rafferty (hugh.rafferty@santamariaairport.com) for signature
2021-04-02 - 8:54:11 PM GMT
-  Email viewed by Hugh Rafferty (hugh.rafferty@santamariaairport.com)
2021-04-02 - 8:55:24 PM GMT- IP address: 67.188.135.89
-  Document e-signed by Hugh Rafferty (hugh.rafferty@santamariaairport.com)
Signature Date: 2021-04-02 - 8:56:06 PM GMT - Time Source: server- IP address: 67.188.135.89
-  Document emailed to Natalie F. Laacke (nfryelaacke@ammcglaw.com) for signature
2021-04-02 - 8:56:08 PM GMT

 Email viewed by Natalie F. Laacke (nfryelaacke@ammcglaw.com)

2021-04-05 - 3:52:04 PM GMT- IP address: 68.186.37.210

 Document e-signed by Natalie F. Laacke (nfryelaacke@ammcglaw.com)

Signature Date: 2021-04-05 - 3:52:21 PM GMT - Time Source: server- IP address: 68.186.37.210

 Document emailed to Abel Maldonado (abel@runwayvineyards.com) for signature

2021-04-05 - 3:52:27 PM GMT

 Email viewed by Abel Maldonado (abel@runwayvineyards.com)

2021-04-05 - 6:50:05 PM GMT- IP address: 174.194.136.171

 Document e-signed by Abel Maldonado (abel@runwayvineyards.com)

Signature Date: 2021-04-05 - 7:33:31 PM GMT - Time Source: server- IP address: 24.6.163.102

 Agreement completed.

2021-04-05 - 7:33:31 PM GMT

ELEVENTH AMENDMENT OF GROUND LEASE –
AIRCRAFT SERVICE CENTER

RE: Ground Lease – Aircraft Service Center dated March 11, 1999, between SANTA MARIA PUBLIC AIRPORT DISTRICT and ARCTIC AIR SERVICE, INC., a California corporation, assigned by ARCTIC AIR SERVICE to ARCTICA JET, LLC, a California limited liability company, and subsequently by ARCTICA JET, LLC to MALDONADO COMPANIES, LLC, a California limited liability company covering land at the Santa Maria Public Airport (“Lease”).

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT ("District" or "Landlord") and MALDONADO COMPANIES, LLC ("Tenant") do hereby agree to amend the above-referenced Lease effective June 10, 2021, as follows:

1. Paragraph 26A shall be added to the Lease.

26A. Conditions of Tenant's Rights To Mortgage Leasehold. Landlord will not subordinate Landlord's fee title to the lien of a deed of trust or other encumbrance securing a construction or permanent loan or any other loan or other obligation of Tenant. Notwithstanding the foregoing and notwithstanding Paragraph 26 of the Lease, Landlord agrees that Tenant shall have the right at any time and from time to time to subject the leasehold estate and any or all improvements constructed by or for Tenant or subtenant to one or more deeds of trust or other security instruments (herein called "mortgage") as security for a loan or loans or other obligations of Tenant, including without limitation, an assignment by Tenant of rents, issues and profits payable to Tenant to secure repayment of any loan, and associated obligations, to Tenant from a lender (in this lease referred to as the "lender"), and Landlord consents to same, provided and on condition that:

- (1) The mortgage or deed of trust and all rights acquired under it shall be subject to each and all of the covenants, conditions, and restrictions stated in this lease and to all rights and interests of Landlord, except as otherwise provided in this lease.

- (2) Tenant shall give Landlord notice of any such mortgage promptly after execution and shall accompany the notice with a true copy of the note and mortgage.

The failure to observe, comply with or fulfill the foregoing conditions shall constitute a breach of this lease.

- a. Rights of Lender. Any lender on the security of the leasehold estate shall have the right at any time during the term:

- (1) Prevention of Forfeiture. To do any act or thing required of Tenant hereunder and all such acts or things done and performed shall be as effective to prevent a forfeiture of Tenant's rights hereunder as if done by the Tenant, and

- (2) Foreclosure Proceedings. To realize on the security afforded by the

leasehold estate by exercising foreclosure proceedings or power of sale or other remedy afforded in law or in equity or by the security documents (hereinafter sometimes collectively referred to as "foreclosure sale") and to transfer, convey or assign the title of Tenant to the leasehold estate created hereby to any purchaser at any such foreclosure sale, and to acquire and succeed to the interest of Tenant hereunder by virtue of any such foreclosure sale. Landlord agrees that any transfer(s), conveyance(s) or assignment(s) as a result of the foregoing shall not be deemed a terminating event(s) as otherwise set forth in Paragraph 23 or require Landlord's prior consent.

b. Notice To Lender and Curing Default. Notwithstanding anything to the contrary provided for in this article, or elsewhere in this lease, the rights of Landlord in the event of a default may not be exercised until written notice of such default is given to any lender on the security of the leasehold estate, who has notified Landlord in writing to give such lender notice as provided by this Paragraph 26A.b., or to the person or firm designated by any such lender to accept such notices. It is agreed that such lender shall have the right to cure any such default within sixty days of receipt of said notice with respect to any default that can be cured by the payment of money, or within sixty days of receipt of said notice with respect to any other covenant or condition or term of this lease; and, if such default is of such nature that it can be remedied, but it cannot be remedied within said time, then such lender shall have such additional time as is reasonably necessary to cure such default, provided that it commences the curing of such default within said sixty-day period, and thereafter diligently continues the curing of the same. If a default under Lease occurs which is not reasonably capable of being cured by said lender as the new tenant (including but not limited to those events set forth in Paragraphs 23.a. or 23.c. of the Lease) Landlord will not terminate the Lease so long as Landlord receives all sums due under the Lease for the period during which said lender is in possession of the Leased Premises, or so long as said lender reassigns the Lease to a new tenant, approved by Landlord, which such approval shall not be unreasonably withheld, conditioned or delayed.

Notices pursuant to this Paragraph 26A.b. shall be delivered in person or by deposit in the United States mail in a sealed envelope or container, either registered or certified mail, return receipt requested, postage and postal charges prepaid, addressed to the lender or the person designated by the lender to accept such notices at the recipient's last address known to Landlord. Landlord shall not agree to any mutual termination, cancellation, nor accept any surrender of this Lease, nor shall Landlord consent to any amendment or modification of this Lease, without the prior written consent of a lender holding a beneficial interest in Tenant's leasehold estate. Any attempt by Landlord or Tenant to terminate, cancel, surrender, amend or modify the Lease in violation of the foregoing shall be voidable at the option of said lender.

The lender shall have the right, but not the obligation, at any time prior to termination of this Lease and without payment of any penalty, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of

this lease. All payments so made, and all things so done and performed by the lender shall be as effective to prevent a termination of this lease as the same would have been if made, done and performed by Tenant instead of by the lender.

c. Lender As Assignee. No such lender shall be liable to the Landlord as an assignee of this lease unless and until such time as such lender shall acquire the rights of Tenant hereunder through foreclosure or other appropriate proceedings in the nature thereof, by an assignment to the lender in lieu of foreclosure, as a permitted assignee fulfilling the conditions of Paragraph 26 or as a result of any other action or remedy provided for by such mortgage or which may otherwise be provided by law. If the Lease has not been terminated, and a lender has acquired the rights of Tenant hereunder, Landlord shall not terminate or disturb said lender's possession of the Lease Premises, except in accordance with the terms of the Lease. In such case, all rights and obligations under the Lease shall continue as though the Lease is in full force and effect. If such a lender succeeds to the rights and interests of Tenant under the Lease, Landlord shall, upon the written request of the lender, execute and deliver a new lease agreement covering the Leased Premises, which shall cover the remaining term of the Lease and shall contain the same terms and conditions as the Lease, unless the parties to the new lease mutually agree to other terms and conditions.

d. Nonencumbrance By Landlord. Landlord shall not encumber the Leased Premises during the continuance of this lease by an encumbrance, which is superior in rights or interests to, or affects the leasehold rights, title or interests of Tenant under this lease.

e. Consent to Lender's Lien; Disclaimer of Interest. Landlord consents to Tenant's lender taking a security interest (or other interest) in any personal property, including improvements, located on the Leased Premises (the "Personal Property Collateral") and in such an event, disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject and subordinate, at all times, to said lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to said lender in this Lease. Landlord further recognizes and acknowledges that any claim that the lender may now have or hereafter may have against the Collateral is and at all times shall be and shall be deemed to be superior to any lien, security interest, or claim of any kind or nature whatsoever that Landlord now has or hereafter may have against the Collateral, whether by statute, the Lease, or otherwise. All of the Collateral shall be and remain subject to the lender's security interest as set forth in the Tenant's security agreement with said lender until such time as said such security interests shall be released. Landlord hereby further consents to the recording and filing of any and all financing statements or other documents required or permitted by the State in which the Leased Premises is located in order to perfect lender's security interest in the Lease and the Collateral. Landlord and Tenant grant to Tenant's lender the right to enter upon the Leased Premises for the purpose of removing the Collateral from the Leased Premises or conducting sales of the Collateral on the Leased Premises. If said lender enters onto the Leased Premises and removes the Collateral, it

must not be completed in such a way that the Leased Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

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

IN WITNESS WHEREOF, the parties have executed this Lease on the date first stated above.

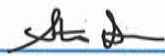
Dated: June 10, 2021

SANTA MARIA PUBLIC AIRPORT DISTRICT

Approved as to content for District:



General Manager

By: 
Steven Brown (Jun 11, 2021 13:17 PDT)

Steve Brown, President

Approved as to form for District:


By: 
Hugh Rafferty (Jun 11, 2021 13:18 PDT)

Hugh Rafferty, Secretary


Natalie F. Laacke (Jun 11, 2021 13:21 PDT)

District Counsel

MALDONADO COMPANIES, LLC.,
a California Limited Liability Company

By: 
Abel Maldonado (Jun 11, 2021 16:35 PDT)

Abel Maldonado, Manager












11th Amendment


Final Audit Report

2021-06-11


Created:	2021-06-11
By:	Kerry Fenton (kfenton@santamariaairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAALkmpvVnLNvUK95U4qaiFGBNrXS5zQ0Wn

"11th Amendment" History


-  Document created by Kerry Fenton (kfenton@santamariaairport.com)
2021-06-11 - 3:06:04 PM GMT- IP address: 50.216.198.146
-  Document emailed to Chris Hastert (chastert@santamariaairport.com) for signature
2021-06-11 - 3:06:38 PM GMT
-  Email viewed by Chris Hastert (chastert@santamariaairport.com)
2021-06-11 - 3:44:28 PM GMT- IP address: 50.216.198.146
-  Document e-signed by Chris Hastert (chastert@santamariaairport.com)
Signature Date: 2021-06-11 - 3:44:46 PM GMT - Time Source: server- IP address: 50.216.198.146
-  Document emailed to Steven Brown (sbrown@santamariaairport.com) for signature
2021-06-11 - 3:44:48 PM GMT
-  Email viewed by Steven Brown (sbrown@santamariaairport.com)
2021-06-11 - 8:16:30 PM GMT- IP address: 174.194.137.121
-  Document e-signed by Steven Brown (sbrown@santamariaairport.com)
Signature Date: 2021-06-11 - 8:17:14 PM GMT - Time Source: server- IP address: 174.194.137.121
-  Document emailed to Hugh Rafferty (hugh.rafferty@santamariaairport.com) for signature
2021-06-11 - 8:17:16 PM GMT
-  Email viewed by Hugh Rafferty (hugh.rafferty@santamariaairport.com)
2021-06-11 - 8:18:25 PM GMT- IP address: 67.188.135.89
-  Document e-signed by Hugh Rafferty (hugh.rafferty@santamariaairport.com)
Signature Date: 2021-06-11 - 8:18:57 PM GMT - Time Source: server- IP address: 67.188.135.89
-  Document emailed to Natalie F. Laacke (nfyelaacke@ammcglaw.com) for signature
2021-06-11 - 8:18:59 PM GMT

 Email viewed by Natalie F. Laacke (nfryelaacke@ammcglaw.com)

2021-06-11 - 8:21:27 PM GMT- IP address: 68.186.37.210

 Document e-signed by Natalie F. Laacke (nfryelaacke@ammcglaw.com)


Signature Date: 2021-06-11 - 8:21:44 PM GMT - Time Source: server- IP address: 68.186.37.210

 Document emailed to Abel Maldonado (abel@runwayvineyards.com) for signature

2021-06-11 - 8:21:46 PM GMT

 Email viewed by Abel Maldonado (abel@runwayvineyards.com)

2021-06-11 - 11:34:41 PM GMT- IP address: 174.194.140.10

 Document e-signed by Abel Maldonado (abel@runwayvineyards.com)

Signature Date: 2021-06-11 - 11:35:20 PM GMT - Time Source: server- IP address: 174.194.140.10

 Agreement completed.

2021-06-11 - 11:35:20 PM GMT