



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

**Thursday
November 12, 2020**

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

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

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

1. MINUTES OF THE REGULAR MEETING HELD OCTOBER 22, 2020.

2. COMMITTEE REPORT(S):

- a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)**
- b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)**
- c) MARKETING & PROMOTIONS (Standing or Ad Hoc)**
- d) CITY & COUNTY LIAISON**
- e) STATE & FEDERAL LIAISON**
- f) VANDENBERG LIAISON**
- g) BUSINESS PARK COMMITTEE (Ad Hoc)**

3. GENERAL MANAGER'S REPORT

4. MANAGER OF FINANCE & ADMINISTRATION REPORT

- a) Demand Register**

5. DISTRICT COUNSEL'S REPORT. (Joshua George and Natalie Frye Laacke)

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

Please raise your hand in the following ways:

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

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

7. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO CONSENT TO THE TRANSFER OF THE HANGAR LOCATED AT 2987-H AIRPARK DRIVE TO CARMEN BARSE.**
8. **DISSCUSSION AND DIRECTION TO STAFF REGARDING UPGRADES TO THE DISTRICT’S FISCAL MANAGEMENT SYSTEM.**
9. **CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
- a) Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: APN 111-231-10 and APN111-231-11 (Gov. Code Section 54956.8)
 - b) Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: APN 111-231-11 and APN111-231-19 (Gov. Code Section 54956.8)
 - c) Conference with Real Property Negotiators (Chris Hastert and District Counsel) Re: 3455 Airpark Drive (Gov. Code Section 54956.8)
 - d) Conference with Legal Counsel-Initiation of litigation pursuant to Government Code 54956.9(c): One case.
10. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE AN EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BETWEEN THE DISTRICT AND MONTECITO SMX, LLC.**
11. **DIRECTORS’ COMMENTS.**
12. **ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD OCTOBER 22, 2020

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

1. MINUTES OF THE REGULAR MEETING HELD October 8, 2020. Director Rafferty made a Motion to approve the minutes of the regular meeting held October 8, 2020. Director Baskett Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty, Engel and Baskett voted "Yes".
2. COMMITTEE REPORT(S):
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – No meeting scheduled.
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.
 - d) CITY & COUNTY LIAISON – No meeting scheduled.
 - e) STATE & FEDERAL LIAISON – No meeting scheduled.
 - f) VANDENBERG LIAISON – No meeting scheduled.
 - g) BUSINESS PARK COMMITTEE (Ad Hoc) – No meeting scheduled.
3. GENERAL MANAGER'S REPORT. Mr. Hastert notified the Board of meetings he attended including the EDC and American Airlines. There is an upcoming Econ Alliance forum he will attend. He gave updates on survey work and farming projects. There has been one complaint regarding the farm fields. There is a concern that wind will cause debris.
4. MANAGER OF FINANCE & ADMINISTRATION REPORT.

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

 - a) Demand Register. The Demand Register, covering warrants 068280 through 068385 in the amount of \$398,473.55 was recommended for approval as presented. Director Rafferty made a Motion to accept the Demand Register as presented. Director Brown Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty, Engel and Baskett voted "Yes".
5. DISTRICT COUNSEL'S REPORT. District Counsel George reported that a claim against the airport has been resolved and SDRMA has covered the costs.

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

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No one requested to speak.

7. Authorization for tuition reimbursement for one staff member. Director Rafferty made a Motion to approve. Director Baskett Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty, Engel and Baskett voted “Yes”.
8. Discussion and direction to staff regarding the Mobile Home Park. Discussion was held and direction was given to staff to discuss further at the committee level.
9. Closed Session. No updates were available.
10. DIRECTORS’ COMMENTS: Directors Adams, Brown, Rafferty and Engel had no comment.

Director Baskett would like the District to become energy independent and prepare for the threat of drones.
11. ADJOURNMENT. President Adams asked for a Motion to adjourn to a Regular Meeting to be held on November 12, 2020 at 7:00 p.m. via a virtual meeting. Director Rafferty made that Motion, Director Baskett Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty, Engel and Baskett voted “Yes”.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 7:23 p.m. on October 22, 2020.

Chuck Adams, President

Hugh Rafferty, Secretary

2020-2021

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 068386 to 068463 and electronic payments on Pacific Premier Bank and in the total amount of \$154,806.25.

CHRIS HASTERT
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 068386 to 068463, and electronic payments on Pacific Premier Bank in the total amount of \$154,806.25 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 12, 2020.

HUGH RAFFERTY
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 68386	10/19/2020	California Electric Supply	333.85	Small Tools
* 068387	10/23/2020	AAAE	450.00	Airport Training
* 068388	10/23/2020	Airports Council	1,800.00	Airport Health Accreditation
* 068389	10/23/2020	Adamski Moroski	4,695.00	Legal Service
* 068390	10/23/2020	AT&T	43.05	Phone Service
* 068391	10/23/2020	BMI PacWest	515.13	Buildg. Maint. - Terminal
* 068392	10/23/2020	Central City Tool	257.26	Small Tools & Safety Equipment
* 068393	10/23/2020	CED	135.11	Lighting Maintenance
* 068394	10/23/2020	City of Santa Maria	387.60	Water Invoice
* 068395	10/23/2020	Clark Pest Control	330.00	Weed/Wildlife Abatement
* 068396	10/23/2020	Emergency Repair Door	200.00	Door Repairs - Terminal
* 068397	10/23/2020	Interstate Batteries	168.51	Auto Maint. - Mechanical
* 068398	10/23/2020	J B Dewar, Inc	211.01	Fuel Expense - Gas/Diesel
* 068399	10/23/2020	Mission Uniform Service	145.07	Uniform Service
* 068400	10/23/2020	Carla Osborn	1,287.00	Education Reimbursement
* 068401	10/23/2020	Playnetwork, Inc.	89.85	Radio Service - Terminal
* 068402	10/23/2020	Ponek Appraisal	2,500.00	Property Appraisal
* 068403	10/23/2020	U.S. Dept. of Agriculture	303.84	Wild Life Abatement
* 068404	10/27/2020	AT&T	229.04	Phone Service
* 068405	10/27/2020	B&B Steel & Supply	163.56	Drainage Maintenance
* 068406	10/27/2020	Bagby Plumbing	134.98	Building Maint. - Terminal
* 068407	10/27/2020	City of Santa Maria	5,889.92	Water Invoices
* 068408	10/27/2020	Clark Pest Control	586.00	Weed/Wildlife Abatement
* 068409	10/27/2020	Fence Factory	507.62	Fencing & Gates
* 068410	10/27/2020	Ferguson	479.24	Build. Maint.
* 068411	10/27/2020	Tom Greene	63.89	Lease Termination Refund
* 068412	10/27/2020	Hayward Lumber	78.28	MHP - Maintenance
* 068413	10/27/2020	Quadient Finance	600.00	Postage
* 068414	10/27/2020	Principal Financial Group	2,796.26	Dental, Life, Disability, Vision
* 068415	10/27/2020	Safeguard Business Systems	313.74	Check Stock
* 068416	10/27/2020	Safety-Kleen	191.08	Solvent
* 068417	10/27/2020	Sherwin-Williams	56.31	Painting Supplies
* 068418	10/27/2020	United Refrigeration	58.62	Building Maint. - Terminal
* 068419	10/27/2020	Frontier	811.56	Telephone Service

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
068420	11/10/2020	Chuck Adams	300.00	Directors Fees
068421	11/10/2020	American Flag & Gift	173.48	American Flags
068422	11/10/2020	AT&T	202.07	Phone Service
068423	11/10/2020	Barnes & Thornburg	4,950.00	AAAE Storm Water Program
068424	11/10/2020	Berchtold Equipment	616.97	Heavy Equip Maint - Mechanical
068425	11/10/2020	Bomar Security	5,403.72	Security Service
068426	11/10/2020	Brayton's Power	500.00	Street Sweeping
068427	11/10/2020	CARR'S BOOT SHOP	184.86	Safety Equipment
068428	11/10/2020	CED	10.06	Lighting Maintenance
068429	11/10/2020	Coast Networkx	210.00	Computer Support
068430	11/10/2020	Clark Pest Control	1,620.00	Weed/Wildlife Abatement
068431	11/10/2020	Craig Roof Co.	5,094.60	Final 10% Retention
068432	11/10/2020	Carl Engel, Jr.	300.00	Directors Fees
068433	11/10/2020	Fedak & Brown LLP	4,178.00	Annual Audit
068434	11/10/2020	Ferguson	47.15	Build. Maint.
068435	11/10/2020	Frontier	1,260.20	Telephone Service
068436	11/10/2020	The Gas Company	166.94	Utilities
068437	11/10/2020	Hayward Lumber	6.94	MHP - Maintenance
068438	11/10/2020	Ray Heath	3,575.20	Consulting Service
068439	11/10/2020	Interstate Batteries	952.27	Auto Maint. - Mechanical
068440	11/10/2020	J B Dewar, Inc	421.91	Fuel Expense - Gas/Diesel
068441	11/10/2020	J.D. Humann	4,955.00	Landscape Maintenance
068442	11/10/2020	Letters	338.46	Auto Maintenance
068443	11/10/2020	Mar - Co Equipment	346.87	Heavy Equip. Maint.-Mechanical
068444	11/10/2020	MarTeeny Designs	275.00	Web Page Maint.
068445	11/10/2020	Mission Uniform Service	393.54	Uniform Service
068446	11/10/2020	Next Day Signs	108.75	Signs
068447	11/10/2020	Pacific Telemanagement	230.92	Pay Phone Service
068448	11/10/2020	Pat's Automotive	170.67	Auto Maint. - Mechanical
068449	11/10/2020	Ponek Appraisal	2,500.00	Property Appraisal
068450	11/10/2020	Quinn Company	1,107.57	MHP-Maintenance
068451	11/10/2020	Hugh Rafferty	200.00	Directors Fees
068452	11/10/2020	ReadyRefresh	47.13	Water Delivery
068453	11/10/2020	Royal Industrial Solutions	256.38	Building Maint.

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
068454	11/10/2020	SCS Engineers	3,125.00	Workplan for Assessment of PFAS
068455	11/10/2020	Service Star	11,146.14	Janitorial Service
068456	11/10/2020	S Lombardi & Assoc.	4,205.00	Airport Advertising
068457	11/10/2020	Smith's Alarms	630.00	Fire Alarm Service
068458	11/10/2020	Tri-Counties Plant Service	275.00	Interior Plants Maint.
068459	11/10/2020	Verizon Wireless	927.77	Mobile Devices
068460	11/10/2020	Vision Communications	1,612.09	Radios - Operation Vehicles
068461	11/10/2020	VTC Enterprises	70.00	Trash - Paper Recycling
068462	11/10/2020	Work World	478.38	Safety Equipment
068463	11/10/2020	Xerox Financial Services	536.53	Copier
Subtotal			<u>\$ 90,922.95</u>	
ACH	10/20/2020	PG&E	18.21	Terminal/Admin./Main Hangar
ACH	10/20/2020	PG&E	26.29	Terminal/Admin./Main Hangar
ACH	10/20/2020	Card ServiceCenter	2,581.62	Computer Support/Office Supplies/Advertising
ACH	10/20/2020	Card ServiceCenter	125.04	Safety Meeting
ACH	10/20/2020	Card ServiceCenter	155.85	Sundries
ACH	10/20/2020	PG&E	290.75	Terminal/Admin./Main Hangar
ACH	10/20/2020	PG&E	323.61	Terminal/Admin./Main Hangar
ACH	10/20/2020	Umpqua Bank	2,631.77	Fencing/Shop Maint./SWAAE Dues/Signs
ACH	10/21/2020	Paychex	1,936.51	Payroll Taxes
ACH	10/21/2020	Paychex	6,414.85	Payroll
ACH	10/22/2020	Paychex	166.03	Paychex Invoice
ACH	10/27/2020	CalPERS	5,639.02	Employee Retirement
ACH	10/29/2020	Paychex	26,362.95	Payroll
ACH	10/30/2020	Paychex	187.46	Paychex Invoice
ACH	10/30/2020	Mass Mutual	4,042.60	Employee Paid Retirement
ACH	10/30/2020	Paychex	5,555.35	Payroll Taxes
ACH	10/30/2020	State of CA	179.00	3rd Qtr. Sales Tax
ACH	11/2/2020	Pacific Premier Bank Fees	1,218.21	Credit Card Fee
ACH	11/6/2020	EDD	389.16	Unemployment Payment
ACH	11/10/2020	CalPERS	5,639.02	Employee Retirement
Subtotal			<u>63,883.30</u>	
Total			<u><u>154,806.25</u></u>	

ASSIGNMENT OF LEASE

2987-H Airpark Drive

The Assignment of Lease is made this *12th day of November 2020*, by and between Les Hill, an owner, builder, hereinafter called "Tenant" or "Assignor", and **Carmen Barse**, Purchaser, hereinafter called "Assignee".

Recitals

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

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

Now, therefore, the parties agree as follows:

Assignment

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

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

3. Effective Date of Assignment. The Assignment shall be effective on December 1, 2020, provided Tenant/Assignor is not in default under the terms of the Lease.

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

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

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

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

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

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

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

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

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

ASSIGNOR: Les Hill
104 Gold Mine Court
Folsom, CA 95630

Notices to Assignee shall be sent to:

ASSIGNEE: Carmen Barse
4367 Manchester Court
Santa Maria, CA 93455

Dated: _____

Tenant: _____
Les Hill

Dated: _____

Assignee: _____
Carmen Barse

12. Consent of Landlord

The undersigned, as Landlord under the Lease, hereby consents to the foregoing Assignment of Lease dated November 12, 2020 from Ravindra and Les Hill, Assignor, to Carmen Barse, 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: November 12, 2020

Approved as to content for District:

Santa Maria Public Airport District

General Manager

Chuck Adams, President

Approved as to form for District:

District Counsel

Hugh Rafferty, Secretary

LEASE AND AGREEMENT

Owner/Built Hangar Site

As of March 1, 2004, SANTA MARIA PUBLIC AIRPORT DISTRICT, (herein called "District"), and LES HILL, ("Tenant,"), agree as follows:

1. **Leasehold Premises.** District leases to Tenant unimproved land located on the Santa Maria Public Airport known as **Hangar Site 20**, commonly as **2987-H Airpark Drive**, in the City of Santa Maria, County of Santa Barbara, State of California, consisting of **2250 square feet**, and more particularly described on Exhibit "B" attached hereto and incorporated by this reference, subject to all existing and future easements and rights, restrictions, reservations and matters of record (the "Premises").

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

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

4. Rent

a. **Monthly Rent During First Five Years.** Monthly rent for and during the first five (5) years of the term shall be the sum of \$ **38.25**, calculated by multiplying the number of square feet leased by a factor of \$.017 per square foot per month (based on the Districts Long-term Land Lease Policy and recovery of capital cost over twenty years) ("Base Rent").

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

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

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

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

5. Construction by Tenant.

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

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

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

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

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

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

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

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

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

a. **Permitted Uses.**

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

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

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

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

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

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

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

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

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

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

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

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

vii. Any residential use.

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

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

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

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

8. **Alterations and Improvements.**

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

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

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

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

11. **Repairs and Maintenance.**

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

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

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

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

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

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

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

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

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

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

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

15. **Insurance**

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

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

16. **Assignment**

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

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

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

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

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

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

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

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

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

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

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

18. **District's Remedies on Tenant's Breach.** In the event Tenant fails to pay rent when due, abandons or vacates the Premises, or is in default under any provision of this lease, District may terminate this lease and resort to the rights and remedies provided by the laws of the State of California, as well as the following cumulatively or in the alternative remedies:

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

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

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

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

21. **Miscellaneous**

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

District: Santa Maria Public Airport District
3217 Terminal Drive

Santa Maria, CA 93455

Tenant:

Name

LES HILL

Address

4219 WISTERIA CT.

City, State & Zip Code

SANTA MARIA CA 93455

Phone

805-934-9284

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

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

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

d. Time is of the essence herein.

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

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

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

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

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

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

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

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

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

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

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

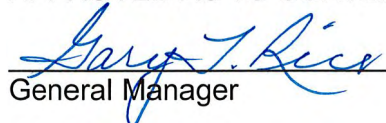
At District's option, exercised by written notice to Tenant, within thirty (30) days of expiration or sooner termination of this Lease, Tenant shall, at Tenant's sole cost and expense, cause to be conducted a site assessment of the Premises to confirm that the Premises are free of any hazardous material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

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

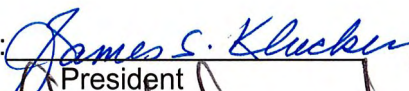
IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused it to be executed as of the day, month and year first above written.

DISTRICT:

APPROVED AS TO CONTENT:

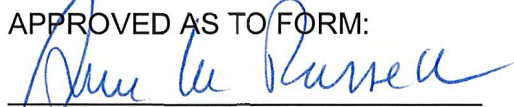

General Manager

SANTA MARIA PUBLIC AIRPORT DISTR1CT

By: 
President

By: 
Secretary

APPROVED AS TO FORM:


District Counsel

TENANT:


LES HILL

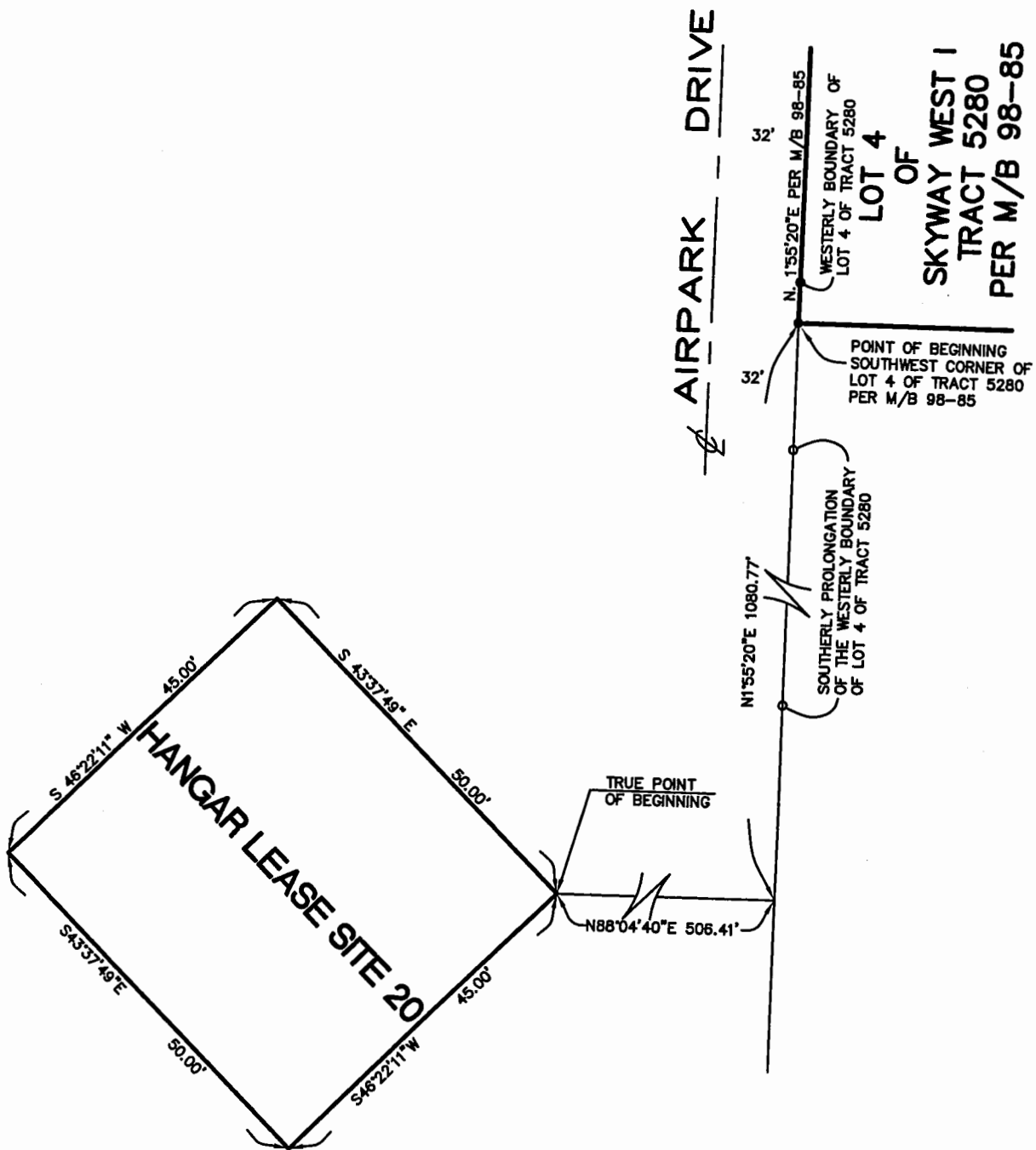
EXHIBIT "B"

LEASE DESCRIPTION FOR HANGAR SITE 20

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

BEGINNING AT THE SOUTHWEST CORNER OF LOT 4 OF "SKYWAY WEST I TRACT 5280" RECORDED AS MAP BOOK 98, PAGES 85 AND 86, RECORDS OF THE COUNTY OF SANTA BARBARA, IN THE CITY OF SANTA MARIA, STATE OF CALIFORNIA; THENCE SOUTH $1^{\circ} 55' 20''$ WEST 1080.77 FEET ALONG THE SOUTHERLY PROLONGATION OF THE WESTERLY BOUNDARY OF SAID LOT 4 TO A POINT; THENCE NORTH $88^{\circ} 04' 40''$ WEST 506.41 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH $46^{\circ} 22' 11''$ WEST 45.00 FEET; THENCE NORTH $43^{\circ} 37' 49''$ WEST 45.00 FEET; THENCE NORTH $46^{\circ} 22' 11''$ EAST 45.00 FEET; THENCE SOUTH $43^{\circ} 37' 49''$ EAST 45.00 FEET TO THE **TRUE POINT OF BEGINNING**.

0313 HANGAR SITE 20 - 2/19/04 4:46 PM



SKETCH OF HANGAR LEASE SITE 20 2987-H AIRPARK DRIVE

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

EXHIBIT "B"

SCALE: 1"=20'



PREPARED BY:

SKYWAY ENGINEERING, INC.
3130 SKYWAY DRIVE-SUITE 305
SANTA MARIA, CA 93455(805)928-1221

Owner build Hangar Specs

Hangar Type: Steel Pre-fabricated Rectangular Hangar building

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

Structure must be 2.5 feet from property line

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

Door options: Door cannot intrude on adjoining property

- Bi-fold
- Stacking
- Roll inside hangar
- Roll up

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

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

PREFABRICATED METAL BUILDINGS

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

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

QUALITY ASSURANCE

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

REFERENCE SPECIFICATIONS AND STANDARDS

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

SUBMITTALS

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

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

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

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

FIELD MEASUREMENTS

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

DESIGN LOADS

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

Materials

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

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

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

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

Machine bolts – same as above

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

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

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

Zinc coating - 1.25 ounces per square foot

Panel high ribs - not less than 1¼" minimum depth

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

Fasteners

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

Mastic:

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

Base Angle:

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

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

Concrete Foundations and Slab Floors.

a. Concrete Foundations

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

b. P.C. Concrete Floor Slabs

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

Contraction Joints

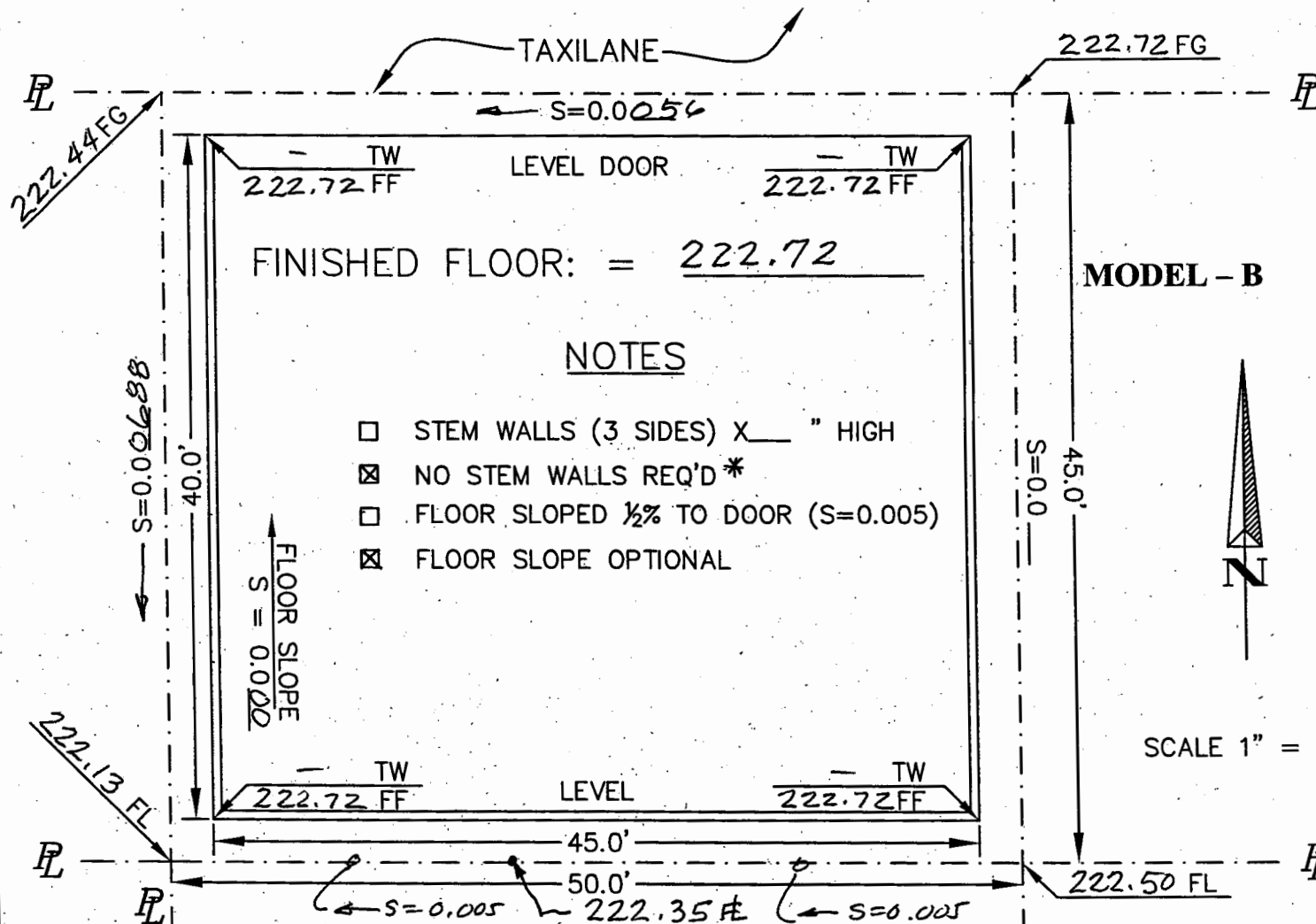
Determined by size of slab using ratio of 2.5 times thickness of slab measured in feet.

Lease Site:

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

All drainage must flow to taxilane in front of hangar.

* RECOMMEND ADDING 3 1/2" STEM WALLS TO 3 SIDES HANGAR



LEGEND

FF=FINISHED FLOOR
TW=TOP OF STEM WALL
FL=FLOW LINE
FG=FINISHED GRADE
PL=PROPERTY LINE

MODEL - B



SCALE 1" = 10'



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

LOT #
20

ADDRESS:
2987-H

EXHIBIT
C

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

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

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

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

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

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

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

(vii) without limitation which contains polychlorinated bipheynols (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.

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

(viii) without limitation radon gas.

B. ENVIRONMENTAL REQUIREMENTS

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

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

C. ENVIRONMENTAL DAMAGES

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

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

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

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

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

EXHIBIT "E"

RIDER

Rider to the Owner/Built Hangar Site Lease and Agreement dated March 1, 2004, herein called "Lease and Agreement between Santa Maria Public Airport District (herein called "District") and LES HILL, (herein called "Tenant").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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