

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

**Thursday
August 8, 2019**

**Administration Building
Airport Boardroom
7:00 P.M.**

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

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

- 1. MINUTES OF THE REGULAR MEETING HELD JULY 25, 2019.**
- 2. COMMITTEE REPORT(S):**
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)**
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)**
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc)**
 - d) CITY & COUNTY LIAISON**
 - e) STATE & FEDERAL LIAISON**
 - f) VANDENBERG LIAISON**
 - g) BUSINESS PARK COMMITTEE (Ad Hoc)**
- 3. GENERAL MANAGER'S REPORT**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register**
 - b) Quarterly Investment Report**
- 5. DISTRICT COUNSEL'S REPORT. (Joshua George and Natalie Frye Laacke)**

6. **PUBLIC SESSION:** Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
7. **PRESENTATION BY TRINA FROELICH OF MEAD & HUNT REGARDING AIR SERVICE DEVELOPMENT EFFORTS.**
8. **AUTHORIZATION FOR TUITION REIMBURSEMENT FOR CARLA OSBORN, OPERATIONS OFFICER.**
9. **AUTHORIZATION FOR THE GENERAL MANAGER TO PURCHASE VECTOR CONTROL EQUIPMENT.**
10. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE EASEMENTS BETWEEN THE DISTRICT AND LAGUNA COUNTY SANITATION.**
11. **RATIFICATION OF EMERGENCY PURCHASE BY THE GENERAL MANAGER FOR FAILED AIRPORT LIGHTING CONTROL SYSTEM.**
12. **CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
 - a) Pursuant to California Government Code Section 54956.8 with Real Property Negotiators (Chris Hastert and District Counsel) between the District and Nanci Gomez & Alejandro Zirate regarding 4000 S. Blosser Road, Unit 15, Santa Maria, CA.
 - b) Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: APN 111-231-9 (Gov. Code Section 54956.8).
 - c) Conference with Legal Counsel-Pending litigation pursuant to Government Code Section 54956.9(d)(4): 1 case SMPAD v. David Baskett
13. **DIRECTORS' COMMENTS.**
14. **ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD JULY 25, 2019

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

1. MINUTES OF THE REGULAR MEETING HELD July 11, 2019. Director Baskett made a Motion to approve the minutes of the regular meeting held July 11, 2019 with his attached statement. Director Brown 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) – A meeting will be 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) – The committee met to discuss item 10 on this agenda.
3. GENERAL MANAGER'S REPORT. Mr. Hastert notified the Board of meetings he has attended which include the newly formed SMART (Santa Maria Airline Recruiting Team) group, the P3 Conference and the Hour Glass Project. He is scheduled to meet with the EDC on the 26th. Mr. Hastert updated the board on grading that is being done in preparation for the Airshow.
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 066844 through 066882 in the amount of \$291,399.26 was recommended for approval as presented. Director Baskett made a Motion to accept the Demand Register as presented. Director Adams Seconded and it was carried by a 5-0 vote.

- 1 5. DISTRICT COUNSEL'S REPORT. Nothing to report.
- 2
- 3 6. PUBLIC SESSION: Statements from the floor will be heard during public session.
- 4 Request to Speak forms are provided for those wishing to address the board. After
- 5 completing the form, please give it to the Clerk. Requests requiring board action
- 6 will be referred to staff and brought on the next appropriate agenda. Members of
- 7 the public are cordially invited to speak on agenda items as they occur. Staff
- 8 reports covering agenda items are available for review in the offices of the General
- 9 Manager on the Tuesday prior to each meeting. The Board has established a five-
- 10 minute time limit for receipt of testimony. The board reserves the right to establish
- 11 further time limits for receipt of testimony.
- 12
- 13 Director Baskett requested to speak regarding an offer he made to the Board. He
- 14 requested the Board settle the matter. See attached statement.
- 15
- 16 7. Discussion and direction to staff regarding replacement or renovation of main
- 17 hangar. Discussion was held and the board asked the committee to meet and
- 18 discuss.
- 19
- 20 8. Presentation by John Smith on the Taxilane Pavement Rehabilitation Project. Mr.
- 21 Smith presented to inform the Board of any affects this project may have on the
- 22 hangar tenants.
- 23
- 24 9. Authorization for two staff members and up to four community members to attend
- 25 an airline headquarters meeting. Director Baskett made a Motion to approve.
- 26 Director Brown Seconded and it was carried by a 5-0 vote.
- 27
- 28 10. Authorization for the President and Secretary to consent to the transfer of the
- 29 hangar located at 3820 S. Blosser Road to Runway Vineyards. Director Baskett
- 30 made a Motion to approve. Director Brown Seconded and it was carried by a 5-0
- 31 vote.
- 32
- 33 RECESS: At 7:29 p.m.
- 34
- 35 Return to OPEN SESSION: At 7:36 p.m. The Board and staff reconvened to Open
- 36 Session.
- 37
- 38 10. CLOSED SESSION. At 7:36 p.m. the Board went into Closed Session to discuss
- 39 the following item(s):
- 40
- 41 a) Conference with Legal Counsel-Pending litigation pursuant to Government
- 42 Code Section 54956.9(d)(4): 1 case SMPAD v. David Baskett
- 43
- 44 b) Conference with Real Property Negotiators (Chris Hastert and District
- 45 Counsel) Re: 3203 Lightning Suite 201 (Gov. Code Section 54956.8).
- 46
- 47 At 7:58 p.m., the Board and staff reconvened to Open Public Session.
- 48
- 49 There were no reportable actions.
- 50
- 51 11. DIRECTORS' COMMENTS: Directors Rafferty had no comment.

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Director Brown asked for an update on the non-airworthy aircraft.
Director Baskett attended a presentation with Nuclear Engineers from Diablo and thinks the Board should hear a presentation as well regarding energy independence.

Director Engel would like to see the hangar located at 3940 Mitchell Road cleaned up.

Director Adams is happy to hear about the Taxilane improvements being done.

12. ADJOURNMENT. President Rafferty asked for a Motion to adjourn to a Regular Meeting to be held on August 8, 2019 at 7:00 p.m. at the regular meeting place. Director Adams made that Motion, Director Baskett Seconded and the Motion was carried by a 5-0 vote.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 8:01 p.m. on July 25, 2019.

Hugh Rafferty, President

Carl Engel, Secretary

Santa Maria Airport 25 July 2019.

I am David E. Baskett

1. For three meetings I have asked for a vote in public on my offer to clear the note resulting from personally providing, safe, inexpensive airline service for the Santa Maria Community ..20 years ago. As the judge noted, "I am being punished for doing a good deed"
2. I have asked Chris for a full accounting of all fees and other funds paid from the beginning of the Pacific Skyway Airline, until now.
3. Mr. Engel: in a closed session you said you had embarrassing, very embarrassing information on me. I am still waiting for you to bring it and lay it out here for all to see.!!!! POLICE

4. Mr. Adams, please confirm that you received the redacted FEMA report I sent to you that showed that FEMA had earlier provided false information to the press.

5. Mr. Rafferty: You will note the PNG sign.

Tonight I am proud to announce the formation of the "Santa Maria PNG Club".

The dues are low. From time to time help me keep one mile of 101 which passes through Santa Maria clean. **Hats and T-Shirts**

6. Tonight, you will you will have another of your many closed sessions about me, from which I am excluded.

I request that you empower Josh to sit down with me after the meeting and close this festering cancer

We should put all our energy into improving the airport and getting new airline service. That is why we are elected. !!!!!!!

My door is open to all of you.

I will be looking for these full notes in the next Board minutes

Thank you

David E. Baskett

2019-2020

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 066883 to 066936, and electronic payments on Pacific Premier Bank and in the total amount of \$267,473.47.

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 066883 to 066936, and electronic payments on Pacific Premier Bank in the total amount of \$267,473.47 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 AUGUST 8, 2019.

CARL ENGEL JR.
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description	AIP Reimbursement
066883	8/6/2019	American Assn of Airport Exec	\$ 725.00	Renew AAAE - Affiliate Dues	
066884	8/6/2019	ACCO Engineered Systems	\$ 2,400.00	HVAC Maintenance	
066885	8/6/2019	Chuck Adams	\$ 600.00	Directors Fees	
066886	8/6/2019	Adamski Moroski	\$ 6,169.97	Legal Service	
066887	8/6/2019	Allan Hancock College Foundation	\$ 141.52	Advertising - Airshow	
066888	8/6/2019	American Industrial Supply	\$ 452.31	Lighting & Nav Aid Maint.	
066889	8/6/2019	AT&T	\$ 310.15	Phone Service	
066890	8/6/2019	Big Red Marketing	\$ 2,000.00	Airshow	
066891	8/6/2019	Bomar Security & Investigation	\$ 6,843.81	Security Service	
066892	8/6/2019	Steve Brown	\$ 300.00	Directors Fees	
066893	8/6/2019	Blueglobes, Inc.	\$ 3,471.19	Lighting & Nav Aid Maint.	
066894	8/6/2019	Carr's Boot Shop	\$ 152.24	Uniform Expense	
066895	8/6/2019	Central City Tool Supply, Inc.	\$ 40.87	Small Tools	
066896	8/6/2019	Consolidated Electrical Distributors, Inc.	\$ 64.61	Lighting Maintenance	
066897	8/6/2019	Coast Networx	\$ 420.00	Computer Support	
066898	8/6/2019	City of Santa Maria-Util Div	\$ 5,004.91	Water Invoices	
066899	8/6/2019	Clark Pest Control	\$ 1,314.00	Pest Control - Terminal & Adm.	
066900	8/6/2019	Comcast	\$ 1,730.53	Cable/Internet /Digital Voice	
066901	8/6/2019	Carl Engel, Jr.	\$ 400.00	Directors Fees	
066902	8/6/2019	Fastenal Company	\$ 13.99	Shop Supplies	
066903	8/6/2019	Federal Express	\$ 86.19	Freight & Common Carrier	
066904	8/6/2019	Ferguson Enterprises, Inc.	\$ 62.44	Buildg. Maint.	
066905	8/6/2019	Frontier Communications	\$ 894.24	Telephone Service	
066906	8/6/2019	The Gas Company	\$ 248.51	Utilities	
066907	8/6/2019	Chris Hastert	\$ 1,301.96	Expense - Travel/Entertainment Reimbursement	
066908	8/6/2019	Ray Heath	\$ 3,575.20	Consulting Service	
066909	8/6/2019	Home Depot	\$ 42.26	Building Maintenance	
066910	8/6/2019	Interstate Batteries	\$ 97.82	Auto Maint. - Mechanical	
066911	8/6/2019	Ranelle Franklin	\$ 423.61	Tenant- Return of Deposit	
066912	8/6/2019	J B Dewar, Inc	\$ 731.45	Fuel Expense - Gas/Diesel	
066913	8/6/2019	Limotta Internet Technologies	\$ 805.00	Computer Support Services	
066914	8/6/2019	MarTeeny Designs	\$ 275.00	Web Page Maint.	
066915	8/6/2019	McMasters and Carr	\$ 32.59	Building Maint. - Terminal	
* 066916	8/6/2019	Mead & Hunt, Inc.	\$ 6,221.23	Air Service Consulting	
066917	8/6/2019	Keylock Security Specialists	\$ 160.00	Maint.- Access Control System	
066918	8/6/2019	Mission Uniform Service	\$ 123.98	Uniform Service	
* 066919	8/6/2019	Kerry Fenton	\$ 1,228.04	Travel Expense Reimbursement	
066920	8/6/2019	Napa Auto Parts	\$ 3.25	Auto parts	
066921	8/6/2019	Next Day Signs	\$ 664.48	Signs	
066922	8/6/2019	Principal Financial Group	\$ 2,912.45	Dental, Life, Disability, Visi	
066923	8/6/2019	Quinn Company	\$ 2,396.25	Equipment Rental	
066924	8/6/2019	Hugh Rafferty	\$ 500.00	Directors Fees	
066925	8/6/2019	Hugh Rafferty - Reimbursement	\$ 40.60	Expense Reimbursement	
066926	8/6/2019	Veroneka Reade	\$ 674.96	Medical Reimbursement	
066927	8/6/2019	S Lombardi & Assoc., Inc.	\$ 3,082.50	Airport Advertising- Airshow	
066928	8/6/2019	SM Valley Chamber of Commerce	\$ 8,050.00	8/19-7/2020 Membership & Sponsorship	
066929	8/6/2019	Smith's Alarms & Electronics Inc.	\$ 1,486.39	Fire Alarm Service	
066930	8/6/2019	Standard Signs, Inc.	\$ 462.35	Airfield Signs	
066931	8/6/2019	Tartaglia Engineering	\$ 12,722.00	MasterPlan May-June 2019	
066932	8/6/2019	Taylor Rental Party Plus	\$ 1,837.95	Airshow Deposit	
066933	8/6/2019	Telephone Specialist	\$ 90.00	Security Sys. - Maint./Repairs	
066934	8/6/2019	Toshiba Financial Services	\$ 501.43	Copier Lease	
066935	8/6/2019	Tri-Counties Plant Service	\$ 275.00	Interior Plants Maint.	
066936	8/6/2019	Verizon Wireless	\$ 2,350.48	Cell Phones	

Total Checks Written:	\$	86,914.71	\$	-
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Electronic Payments

7/19/2019	Mass Mutual	\$	3,509.78	Retirement
7/25/2019	Payroll	\$	26,813.46	Payroll
7/26/2019	Payroll Taxes	\$	5,570.02	Taxes
7/30/2019	Mass Mutual	\$	3,509.78	Retirement
7/30/2019	CalPERS	\$	109,583.00	Annual Pmt for unfunded Liab.
7/30/2019	Pacific Gas & Electric Company	\$	8,169.38	Terminal/Admin./Main Hangar
7/31/2019	State of CA Tax	\$	80.00	Sales & Use Tax
7/31/2019	PG&E	\$	8,169.38	Electricity
8/5/2019	CalPERS	\$	15,153.96	Health Benefits

Total Electronic Funds Payments: \$ 180,558.76

Net Dispersed Funds	<u><u>\$ 267,473.47</u></u>
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MEMORANDUM

Santa Maria Public Airport District

DATE: August 8, 2019

TO: Board of Directors

FROM: Veroneka Reade, Manager of Finance and Administration

SUBJECT: Quarterly Investment Report – June 30, 2019

On April 11, 1996, the Board of Directors adopted Resolution 557 establishing an investment policy for the Santa Maria Public Airport District. Paragraph 12 of that resolution requires the District Manager of Finance and Administration to submit a quarterly investment report to the Board of Directors. This report covers the quarter ending June 30, 2019.

California Government Code Section 53646(e) specifies that if all funds of the District are placed in the Local Agency Investment Fund (LAIF), FDIC-insured accounts and/or in a county investment pool, then the quarterly investment report may consist of copies of the latest statements from such institutions.

The Local Agency Investment Fund (LAIF) is a division of the Pooled Money Investment Account of the State of California (PMIA). Statements of the District's LAIF account activity and the Pooled Money Investment Board Report as of June 30, 2019 are attached and made a part of this quarterly investment report to the District's Board of Directors.

California Government Code Section 53646(b)(1) specifies that the quarterly report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. The report shall also include a current market value as of the date of the report and shall include the source of this same valuation. This information is included in the local agency report as of June 30, 2019. Statements of the District's Pacific Premier account activity and the Local Agency report as of June 30, 2019 are attached and made a part of this quarterly investment report to the District's Board of Directors.

I certify with the filing of this quarterly investment report for the periods ending June 30, 2019 that (1) all investment actions executed during the quarter were made in full compliance with the Investment Policy and, (2) the portfolio is in compliance with the investment policy and (3) the Santa Maria Public Airport District will meet its expenditure obligations for the next six months.

SANTA MARIA PUBLIC AIRPORT DISTRICT

STATEMENT OF LAIF ACCOUNT ACTIVITIES

For Quarter Ending June 30, 2019

LAIF	
BEGINNING BALANCE LAIF (03/31/19)	<u>\$3,446,493.84</u>
TRANSFERS OF EXCESS FUNDS TO LAIF	<u>\$1,200,000.00</u>
PREVIOUS QUARTER'S INTEREST POSTED LAIF	<u>\$4,323.96</u>
TRANSFERS OUT FOR DISTRICT NEEDS LAIF	
ENDING BALANCE LAIF	<u>\$4,650,817.80</u>
INTEREST EARNED DURING CURRENT QUARTER LAIF	<u>\$26,453.91</u>

Note: LAIF was earning 2.57% as of 06/30/19

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

August 06, 2019

SANTA MARIA PUBLIC AIRPORT DISTRICT

CONTROLLER
 3217 TERMINAL DRIVE
 SANTA MARIA, CA 93455

PMIA Average Monthly Yields

Account Number:

80-42-001

// [Tran Type Definitions](#)

April 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
4/15/2019	4/12/2019	QRD	1602211	SYSTEM	4,323.96

Account Summary

Total Deposit:	4,323.96	Beginning Balance:	3,446,493.84
Total Withdrawal:	0.00	Ending Balance:	3,450,817.80

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

August 06, 2019

SANTA MARIA PUBLIC AIRPORT DISTRICT

CONTROLLER
 3217 TERMINAL DRIVE
 SANTA MARIA, CA 93455

PMIA Average Monthly Yields

Account Number:

80-42-001

// [Tran Type Definitions](#)

May 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
5/10/2019	5/10/2019	RD	1606238	VERONEKA READE	1,200,000.00

Account Summary

Total Deposit:	1,200,000.00	Beginning Balance:	3,450,817.80
Total Withdrawal:	0.00	Ending Balance:	4,650,817.80

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp

August 06, 2019

SANTA MARIA PUBLIC AIRPORT DISTRICT

CONTROLLER
3217 TERMINAL DRIVE
SANTA MARIA, CA 93455

PMIA Average Monthly Yields

Account Number:

80-42-001

// [Tran Type Definitions](#)

June 2019 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	4,650,817.80
Total Withdrawal:	0.00	Ending Balance:	4,650,817.80

SANTA MARIA PUBLIC AIRPORT DISTRICT

STATEMENT OF PACIFIC PREMIER INVESTMENT ACCOUNT ACTIVITIES

For Quarter Ending June 30, 2019

Pacific Premeier	
BEGINNING BALANCE HERITAGE OAKS (03/31/19)	<u>\$3,138,682.87</u>
TRANSFERS OF EXCESS FUNDS TO HERITAGE OAKS	
PREVIOUS QUARTER'S INTEREST POSTED HERITAGE OAKS	<u>\$21,171.60</u>
Deposits	
ENDING BALANCE HERITAGE OAKS	<u>\$3,159,854.47</u>



SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DR
SANTA MARIA CA 93455-1836

Page 1 of 1
Branch 041
Account Number: 4108097100
Date 04/30/19

EM

Need a business loan?
Get up to \$250,000 with our QuickScore business loan options.
Upon credit approval. Other important conditions apply.
Terms and conditions are subject to change.

BUSINESS MONEY MARKET

Acct 4108097100

Summary of Activity Since Your Last Statement

Beginning Balance	4/01/19	3,138,682.87
Deposits / Misc Credits	1	6,585.00
Withdrawals / Misc Debits	0	.00
** Ending Balance	4/30/19	3,145,267.87**
Service Charge		.00
Interest Paid Thru 4/30/19		6,585.00
Interest Paid Year To Date		31,590.98
Average Collected Balance		3,138,682
Average Rate / Cycle Days		2.55000 / 30

Deposits and Credits

Date	Deposits	Withdrawals	Activity Description
4/30	6,585.00		INTEREST EARNED

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
4/30	3,145,267.87				



SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DR
SANTA MARIA CA 93455-1836

Page 1 of 1
Branch 041
Account Number: 4108097100
Date 05/31/19

EM

BUSINESS MONEY MARKET

Acct 4108097100

Summary of Activity Since Your Last Statement

Beginning Balance	5/01/19	3,145,267.87
Deposits / Misc Credits	2	7,582.35
Withdrawals / Misc Debits	0	.00
** Ending Balance	5/31/19	3,152,850.22**
Service Charge		.00
Interest Paid Thru 5/31/19		7,221.17
Interest Paid Year To Date		39,173.33
Average Collected Balance		3,145,524
Average Rate / Cycle Days		2.70000 / 31

Deposits and Credits

Date	Deposits	Withdrawals	Activity Description
5/10	361.18		CREDIT YTD INTEREST
5/31	7,221.17		INTEREST EARNED

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
5/10	3,145,629.05	5/31	3,152,850.22		



SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DR
SANTA MARIA CA 93455-1836

Page 1 of 1
Branch 041
Account Number: 4108097100
Date 06/28/19

EM

BUSINESS MONEY MARKET

Acct 4108097100

Summary of Activity Since Your Last Statement

Beginning Balance	6/01/19	3,152,850.22
Deposits / Misc Credits	1	7,004.25
Withdrawals / Misc Debits	0	.00
** Ending Balance	6/30/19	3,159,854.47**
Service Charge		.00
Interest Paid Thru 6/30/19		7,004.25
Interest Paid Year To Date		46,177.58
Average Collected Balance		3,152,850
Average Rate / Cycle Days		2.70000 / 30

Deposits and Credits

Date	Deposits	Withdrawals	Activity Description
6/28	7,004.25		INTEREST EARNED

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
6/28	3,159,854.47				



SANTA MARIA PUBLIC AIRPORT (SMX)

Board of Directors Meeting

August 8, 2019



TOPICS

Fundamentals of air service development

SMX opportunities and recent efforts

Next steps

Questions and discussion



FUNDAMENTALS OF AIR SERVICE DEVELOPMENT

WHAT IS AIR SERVICE DEVELOPMENT?

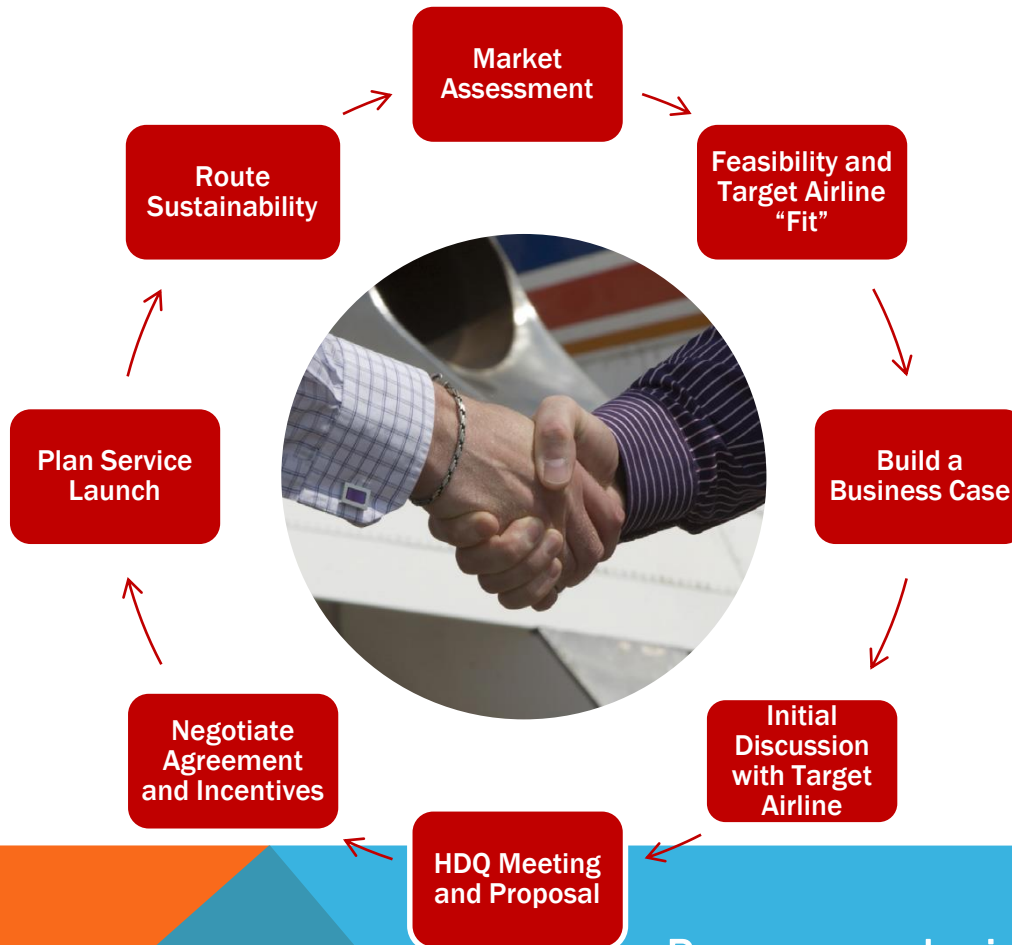
Air service is the life-blood of commercial service airports

- Increasing enplanements = increasing revenues (PFCs, concessions, landing fees, terminal rents, etc.)
- Air service development = working to maintain and expand a level of sustainable air service that meets the community's needs – opportunity to influence results
- Entails working with airport staff and community members in conjunction with airline network planners
- Airline network planning determines:
 - Where to fly
 - When to fly
 - What to fly
 - How often to fly



Air service development efforts =
influence your own destiny.

AIR SERVICE DEVELOPMENT APPROACH



- Building relationships with airline partners is key
- Methodical approach ensures:
 - Efforts are targeted to the right opportunity
 - Major stakeholders are identified and aligned to air service development strategies
 - Data is up-to-date and available when needed
 - Limited resources are focused on realistic goals

Process can be interrupted due to several factors, including airline staff turnover, industry trends and airline strategy changes.

INDUSTRY TRENDS

It is important to understand industry trends as part of the air service development process - most industry trends remain consistent with last year...

- **Positive indicators**

- **Profitability:** strongest profitability ever over the last 6 years
- **Industry consolidation:** top 5 (AA, DL, WN, UA, AS) control 86% of domestic seats
- **Continued growth:** seats for all carriers grew (major airlines through aircraft size) but departures primarily increased for ultra-low-cost carriers (NK, F9, G4) – non-hub airports like SMX are down in departures from 5 years ago

- **Areas of concern**

- **Fuel prices:** fuel prices peaked in 2011 to 2014 leading to carriers reducing underperforming markets – fuel decreased by 2016 but are back on the rise (down slightly for 2019)
- **Pilot shortage:** has been tempered somewhat but still a concern for regional airlines
- **Recession:** the longest the U.S. has gone without a recession is 10 years – last recession ended in 2009

In general, airlines are still in growth mode but some aggressive growth has been tempered.



ASSESSING OPPORTUNITIES

Determine market needs

- Existing service performance
- Can new hub or point-to-point service be supported (true market)
- Community priorities (e.g., specific destinations, business vs. leisure)

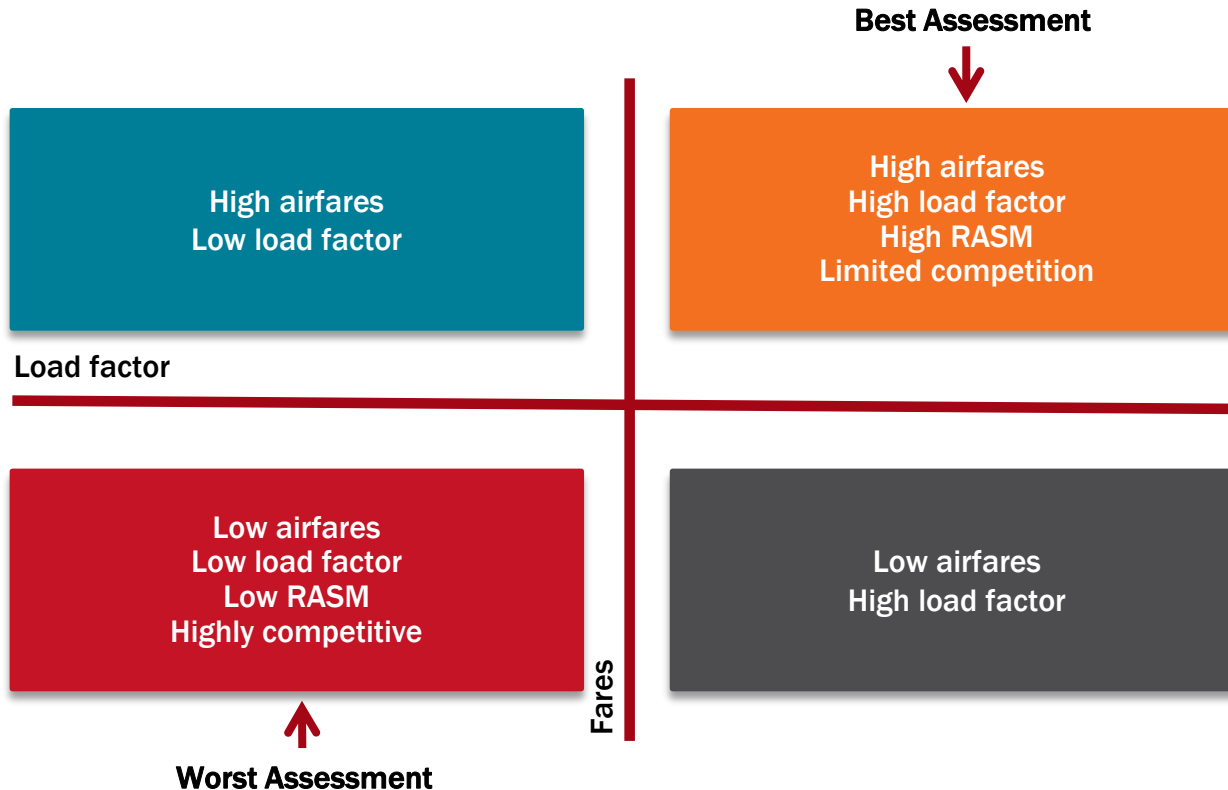


Point-to-point vs. hub service

- Is there sufficient passengers to support point-to-point service? – does not benefit from connecting traffic
- Point-to point is frequently less-than-daily service in smaller markets
- Is there sufficient passengers to support hub service? – local market size vs. connecting passengers
- Does the airline strategy fit?
 - Airline hub growth/shrinkage
 - Type of aircraft serving the hub
 - Availability of aircraft
 - Aircraft range

Existing SMX service is point-to-point on Allegiant – hub service is a priority to serve the business market.

AIRLINE ROUTE DECISION MAKING VS. COMMUNITY PREFERENCES



Airline planners review various indicators, including:

- Market size
- City presence/frequent flyer base
- Load factors (% of seats sold)
- Airfares/yield
- Unit revenue (RASM)
- Competition
- Strategic fit
- Past performance
- Community strengths/growth
- Retention/Diversion
- Airline assistance/incentives

Overall assessment of best return on investment.

ROLES IN AIR SERVICE DEVELOPMENT

Community role...

- Demonstrate the community's need for air service through business partnerships
 - Numbers alone do not have enough sway for the airlines in smaller markets
 - need to prove business demand
- Most new air service can be tied directly to community involvement

Airport role...

- Educate the community on air service and the importance of community involvement
- Provide airport operational information and incentive package to the airline

Consultant role...

- Liaison between airport/community and airline
 - Maintains relationships with airlines to be able to secure meetings
 - Continually advocates for the airport
- Present the data to the airlines
 - True market information is typically not assessed by the airline – new information to be presented
 - Provide forecast and data to the airline to interest them in doing their own detailed market forecast

The community role in air service development is critical in securing new air service – SMART!

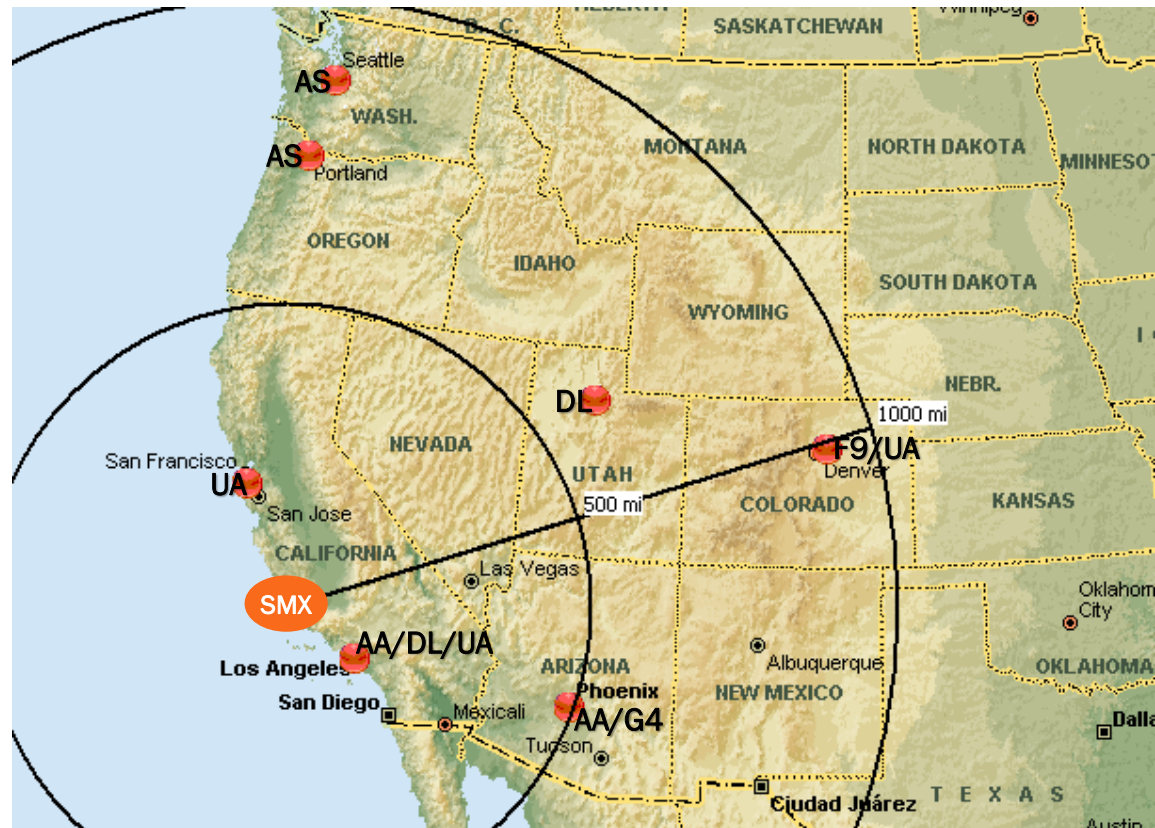


SMX OPPORTUNITIES AND RECENT EFFORTS

SMX OPPORTUNITIES FOR NEW SERVICE

Nonstop service beyond 1,000 miles is unlikely.

- Longer stage lengths are higher risk due to higher cost for crew and fuel.
- Longer stage lengths require larger aircraft and higher passenger demand.
- Top opportunities with the most likely carriers to provide service for SMX are shown on the map.



Eastbound hubs provide the best connecting opportunities for SMX compared to north/south hubs.

SMX STRENGTHS – AIRLINE PERSPECTIVE

Centrally located

- Easy access via CA Highway interchange

Fastest growing Central Coast city

- Actively seeking business expansion
- Population grew 40% since 2000 – only 3% at SBA and 5% at SBP
- 25-mile radius population of nearly 300,000 - larger than SBP or SBA

Airport of choice for Vandenberg Air Force Base

- Supports more than 18,000 military, family, contractors and civilian employees
- Growing military operations and private satellite launches

Strong tourism throughout region

Superior airport facilities

- Runway 12-30 at 8,000 feet - longest runway on the California Coast between LAX and SJC
- High quality terminal
- Hotel within walking distance of terminal

SMX managed by a special district

- Ability to work closely with an airline regarding incentives and risk sharing for new service
- Financially stable with a wide range of revenue sources
- Allows SMX to keep costs very low

SMX strengths are presented to every airline in every one-on-one meeting to support initiation of air service – responsibility of SMX/community.



SMX CHALLENGES – AIRLINE PERSPECTIVE

SMX proximity to SBA and SBP is the biggest hurdle to new air service.

- Existing airlines believe they are adequately serving the Central Coast by serving SBA and SBP.
 - Alaska serves Seattle from both airports/Portland from SBA.
 - American serves Dallas/Phoenix from both airports.
 - Delta serves Salt Lake City from SBA.
 - Frontier serves Denver from SBA.
 - United serves Denver, Los Angeles and San Francisco from both airports.
- New airlines look to the airport with the highest historical proven passenger demand.

Historical air service underperformed on a load factor basis at SMX.

- Since January 2010, Los Angeles averaged a 53% load factor for United, 50% for Mokulele.
- San Francisco averaged 56% for United.
- Average domestic load factor nationwide was 85% (YE Apr 2019).
- Air service at SBA/SBP must perform very well for an existing airline to consider adding service at SMX – SBA averaged 80% and SBP 78% (YE Apr 2019).

SMX air service has been hampered by SBA and SBP due to proximity and performance – responsibility of consultant to try to temper the challenges.



EFFORTS BY AIRLINE

Airline	Destination	Comments
Alaska Airlines (AS)	Meetings	<ul style="list-style-type: none"> - Met with AS at the 2018 & 2019 JumpStart conferences and the 2019 Mead & Hunt conference –positive meetings. Staff turnover high leading to difficulty in obtaining headquarters meetings.
	Portland, OR (PDX)	<ul style="list-style-type: none"> - Positives: Strong SBA performance and SMX-PDX growth when UA served SFO. - Negatives: Aircraft constraints limiting AS growth and high staff turnover.
	Seattle, WA (SEA)	<ul style="list-style-type: none"> - Positives: Strong SBA/SBP performance and SMX-SEA growth when UA served SFO. Gained some traction in last meeting. - Negatives: Same as above.
Allegiant Air (G4)	Meetings	<ul style="list-style-type: none"> - Met with G4 at the their annual airports conference in Oct 2018 – next meeting in Oct 2019.
	Phoenix, AZ (AZA)	<ul style="list-style-type: none"> - Positives: On short list for AZA service. - Negatives: Did not make the cut in 2018/2019 due to fleet transition but still under consideration and SMX remains on their short list.
	San Diego, CA (SAN)	<ul style="list-style-type: none"> - Positives: Central Coast region demand to SAN and the existing difficult connectivity. - Negatives: SAN is very expensive to operate at but negotiations may mitigate some of the cost issues.

EFFORTS BY AIRLINE

Airline	Destination	Comments
American Airlines (AA)	Meetings	<ul style="list-style-type: none"> - Met with AA at 2018 & 2019 JumpStart conferences, 2018 & 2019 Mead & Hunt conferences and at their headquarters office in November 2018 (typically only allow HQ meetings 1x every 3 years)
	Los Angeles, CA (LAX)	<ul style="list-style-type: none"> - Positives: Short stage length limits risk. - Negatives: Gate space/aircraft availability, existing UA SBA/SBP-LAX service and limited local market demand.
	Dallas, TX (DFW)	<ul style="list-style-type: none"> - Positives: DFW service performing strong at SBA and off to a good start for SBP. - Negatives: Market opportunity has not been discussed with AA as LAX and/or PHX service must be initiated first before the higher cost/risk DFW service would be considered.
	Phoenix, AZ (PHX)	<ul style="list-style-type: none"> - Close to new service announcement in 2017 – AA staff turnover = had to start over with pitch. - Positives: While SBA/SBP loads are average, AA is happy with overall performance and route forecasted positively. Hub staff stated SMX-PHX service is just a matter of time in March meeting. - Negatives: Aircraft availability and concern over pulling from existing SBA/SBP service.

EFFORTS BY AIRLINE

Airline	Destination	Comments
Delta Air Lines (DL)	Meetings	<ul style="list-style-type: none"> - DL serving the Central Coast region again (no service since 2010) at SBA starting next week to SLC. Very little expansion in smaller markets in recent years and generally does not accept headquarters meetings with non-incumbent airports. Met with DL at 2019 Mead & Hunt conference.
	Los Angeles, CA (LAX)	<ul style="list-style-type: none"> - Positives: Short stage length in good range for CRJ-200. - Negatives: Highly gate space constrained at LAX.
	Salt Lake City, UT (SLC)	<ul style="list-style-type: none"> - Positives: Excellent connecting opportunities via SLC and in good range of CRJ-200. New focus on region with SBA-SLC service. - Negatives: Likely need to wait for SBA results before DL will consider expanded Central Coast service.
	Seattle, WA (SEA)	<ul style="list-style-type: none"> - Positives: New focus on Central Coast region and SEA growth with the previous UA-SMX service over SFO. - Negatives: DL staff indicated SLC would be the first step but still found SMX-SEA “interesting”.

EFFORTS BY AIRLINE

Airline	Destination	Comments
Frontier Airlines (F9)	Meetings	<ul style="list-style-type: none"> - F9 began service in the Central Coast region at SBA to DEN in August 2018. - Met with F9 at the 2018 Mead & Hunt conference and follow-up discussions on cost, etc. provided.
	Denver, CO (DEN)	<ul style="list-style-type: none"> - Positives: SBA service improving with loads over 80% in recent months and SMX is a low-cost airport with proven ULCC success. - Negatives: Large aircraft size, staff turnover and slow performance start at SBA.
	Other Destinations	<ul style="list-style-type: none"> - Recent discussions with F9 indicate that they are looking at expansion at multiple airports/hubs; however, DEN is the best SMX fit due to local market demand.

EFFORTS BY AIRLINE

Airline	Destination	Comments
SkyWest Airlines (OO)	Meetings	- Headquarters meeting held in St. George, UT, in January 2018 and met with OO at the 2019 Mead & Hunt conference.
	Phoenix, AZ (PHX)	- Positives: OO wants to serve SMX to PHX via pro-rate. - Negatives: AA did not approve OO to operate the service as it would pull from AA's SBA/SBP service.
	San Francisco, CA (SFO)	- Positives: OO wants to serve SMX to SFO via pro-rate. - Negatives: UA did not approve OO to operate the service as it would pull from UA's SBA/SBP service; SkyWest indicated that United is seriously considering SMX service to SFO and/or DEN.
Southwest Airlines (WN)	Meetings	- Regular meetings with WN at industry conferences including the 2018 and 2019 Mead & Hunt conferences and 2018 JumpStart conference.
	Multiple Destinations including DEN, LAS, OAK, PHX and SAN.	- Positives: WN does not currently serve the Central Coast and SMX is the lowest cost airport. - Negatives: Until WN can offer less-than-daily service, the Central Coast will have difficulty with profitable WN service based on their current model of high daily frequency with large capacity aircraft.

EFFORTS BY AIRLINE

Airline	Destination	Comments
United Airlines (UA)	Meetings	<ul style="list-style-type: none"> - Renewed conversations and interest by UA. - Met at the UA headquarters in November 2018, at the 2018 & 2019 Mead & Hunt conferences and 2018 JumpStart conference - Conference call held in July with questions about the community from UA. - Headquarters meeting scheduled for October 2019.
	Denver, CO (DEN)	<ul style="list-style-type: none"> - Positives: Top SMX market with military ties and 85% SBA & 87% SBP load factors support more regional service. - Negatives: Long stage length means higher risk/cost, untested market and concern of pulling from SBA/SBP services
	Los Angeles, CA (LAX)	<ul style="list-style-type: none"> - Positives: Previous UA service was likely profitable with high fares. - Negatives: Low load factors on SBA/SBP service, low local demand and lack of gate space.
	San Francisco, CA (SFO)	<ul style="list-style-type: none"> - Service failure was directly tied to the high local fare and the lack of published government fares – local market did not materialize. - Positives: All markets will now be “contract” based with UA which will provide improved fare parity. SBA service performing well. - Negatives: Low load factors on SBP service (69%), lack of gate space and poor historical results at SMX.

EFFORTS BY AIRLINE

Airline	Destination	Comments
Other Airlines	Various	- Contour Airlines: Met at JumpStart 2018. Seriously considered SMX service prior to announcing SBA service.
		- Hawaiian Airlines: Met at JumpStart 2019. Taking delivery of Boeing 787s in 2021 and are looking for a maintenance base and would consider less-than-daily service. Good first meeting.
		- JetSuite: Met at JumpStart 2018. Relies heavily on local business and does not have any connecting traffic – primarily operates out of BUR and FBOs. SMX is on their radar.
		- Southern Airlines: Met at JumpStart 2019. Purchased Mokulele Airlines. Trying to add at least 2 additional airports to their LAX service. Stated that the service would be much different than the previous Mokulele service with better marketing (SMX would need to pay for it) and AA/AS interline agreements in the works. Planned to visit in July 2019.

Efforts in summary, airport staff have been diligent in meeting with airlines to try to restore hub service to the Santa Maria Valley.





NEXT STEPS

NEXT STEPS

One-On-One Airline Meetings

- Continue attending at least two annual industry conferences
 - Mead & Hunt's Air Service Development Conference
 - ACI-NA JumpStart
- Schedule headquarters meetings in the Fall as follow-up to conference meetings
 - Airlines have been accepting fewer meetings in the past two years but we continue to request them.
 - Primary targets are United (scheduled for October 2019) and American (may be difficult due to meeting in 2018 – only 1x per 3 years typically)

Continue to Strengthen the Airline Presentation

- Continue to update community information – important to the airlines
- New SMART (Santa Maria Airline Recruitment Team) initiative

Watch for New Airline Entrants and Opportunities

- Mead & Hunt will remain vigilant



SMART will improve SMX's business case to the airlines by demonstrating significant community support and desire for local air service.

QUESTIONS & DISCUSSION

Thank You!

Mead & Hunt, Inc.:
Trina Froehlich, CPA
Director, Air Service Consulting
Phone: (541) 521-5962
trina.froehlich@meadhunt.com



Mead&Hunt

**PUBLIC AIRPORT DISTRICT**

August 8, 2019

**Agenda Item
8
8/8/19**

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

Subject: Authorization for tuition reimbursement for Carla Osborn, Operations Officer.

Summary

Based upon section 10.5 of the Personnel Manual (See Attached). I am requesting reimbursement for Carla Osborn. Mrs. Osborn has completed and passed this course at Embry-Riddle Aeronautical University.

Budget

Course	Tuition				
Basic Mathematics GNED 103	\$390.00				
Elementary & Intermediate Algebra	\$290.34				
Total:	\$680.34				\$680.34

Overall Impact

Approved 2019-2020 Budget for Education	\$16,000.00
Previously Approved for Education	\$0.00
Current Balance for Education	\$16,000.00
Amount of this Request	\$680.34
Balance Remaining if Approved	\$15,319.66

Recommendation

I recommend we repay Mrs. Osborn as the District will benefit as a result of additional training and these classes will assist the Operations Officer's pursuit of her Bachelor's Degree.

Sincerely,

Veroneka Reade
Manager of Finance & Administration

EMBRY-RIDDLE

Aeronautical University

Name: Osborn,Carla

ID: 2513380

Term: Worldwide 2019-05 May

Cumulative GPA: 4.000

Class	Course Title	Units	Grade
GNED 103	Basic Mathematics	1.00	A

Carla Osborn

Account No: 2513380
Statement Print Date: 8/1/2019 11:55 AM
Statement From/To Date: 5/1/2019 To 7/1/2019

Charges				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
Total Charges:			.00	

Payments				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
05/13/2019	Student Financials CR	Payment by PayPath	-390.00	USD
Total Payments:			-390.00	

Refunds				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
Total Refunds:			.00	

Financial Aid				
<u>Date Posted</u>	<u>Term</u>	<u>Item Description</u>	<u>Amount</u>	<u>Currency</u>
Total Financial Aid:			.00	

Net Total for Statement Date Range: -390.00

Daytona Beach Campus:
600 S. Clyde Morris Blvd.
Daytona Beach, FL 32114
386-226-6285

Prescott Campus:
3700 Willow Creek Rd.
Prescott, AZ 86301
928-777-3726

Worldwide Campus:
Campus of Attendance
386-226-6280

Order Summary

Order Number: 15710000036929

Order Date: May 14, 2019

Receipt Method: Ground

Ship to:

Carla Osborn

TOTAL: \$290.34 (USD)¹

Order Details

Product Details:

Elementary & Intermediate Algebra
(w/MyMathLab/StatLab)

Author: Carson

Edition: 4th

ERAU Worldwide > Spring 2019 - May >
GNED > 103 > All

STATUS:

BUY/RENT: BUY NEW

Qty: 1



The Green Solution to Ground Squirrel Problems

www.burrowblocker.com

P.O. Box 1540
Discovery Bay, CA 94505
(925) 634-9204

SALES QUOTE

Date: 7/11/19

Customer: **Santa Maria Airport**

Delivery Address:

Address: **3217 Terminal Dr.,
Santa Maria, CA 93455**

Contact: **Ric Tokoph (805) 331-9386**

Item	Description	Amount
Burrow Blocker Machine—Model #: 12ST1-525GS-2H		\$21,885.00
Sand Hopper Cover		150.00
Fire Hydrant Connect System:		137.50
Hydrant Wrench		
Hydrant Hose: 20 FT		
2" AI Cam MP		
2" AI Adapter FP		
2 1/2" FNST x 2" MPT		
	Subtotal:	\$22,172.50

Santa Maria, CA Sales Tax 8.75%: \$1,940.09

*The Burrow Blocker is a one of kind method and apparatus. Purchasing the Burrow Blocker Machine allows the customer the use of our U.S. Patent No. 8567112 when using the Burrow Blocker Machine.

Delivery & Training: \$1,015.00

TOTAL: \$25,127.59

* Amerigreen Technology Inc., dba Burrow Blocker, is the sole source of the Burrow Blocker machine.

50% down payment: \$12,563.80
(Due upon placement of order.)

Balance Due Prior to Delivery: \$12,563.79

- This quote is valid until for 30 days.
- DMV Certificate of Title to be provided to the customer.
- Customer is responsible for DMV Transfer and License fees.
- Training provided on the day of delivery.

To accept quote, please sign below:

Date: _____

P.O. # _____

Recording requested by
and when recorded mail to:
County of Santa Barbara
Public Works Department
Laguna County Sanitation District
620 West Foster Road
Santa Maria, CA 93455
Attn: Martin Wilder

**COUNTY OF SANTA BARBARA
OFFICIAL BUSINESS**

No fee pursuant to Government Code § 6103
No recording fee per Government Code § 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Easements on APNs 111-231-011, 111-231-019, 111-291-033

The undersigned grantor declares DOCUMENTARY TRANSFER TAX <u>\$ zero (0)</u> EXEMPTION (R&T CODE) <u>§11922</u> EXPLANATION <u>Municipal government agency</u>

EASEMENT DEED

The SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport of the State of California ("District") hereby grants to LAGUNA COUNTY SANITATION DISTRICT, a county sanitation district of the State of California ("Grantee"), its successors or assigns, subject to the terms, conditions, covenants, restrictions and reservations set forth below, and subject to all matters of record and all utilities, pipelines, conduits, cables and/or wires that may be in place, non-exclusive and permanent easements for present and future construction, reconstruction, operation, repair, and maintenance of improvements required by Grantee for recycled water lines together with appropriate appurtenances incidental thereto, and together with necessary rights of ingress and egress to the easements for the above-referenced purposes, in, on, along, under and through certain lands (the "Easement Property" situated in the in the City of Santa Maria, County of Santa Barbara, State of California, more particularly described in Exhibit "A" (the "Legal Descriptions") and shown on Exhibit "B" and Exhibit "C" attached hereto and incorporated by this reference.

1. District hereby reserves to itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the Easement Property, together with the right to cause in said air space such noise as may ensue from the operation of aircraft now known or hereafter used for navigation of or flight in the airspace, and the use of said airspace for landing on, taking off from or operating the Santa Maria Public Airport.

2. Grantee, by accepting this deed, expressly agrees for itself, its successors and assigns, that it will not erect any structure or object or the growth of any tree on the Easement Property herein granted, above a mean sea level elevation of 602 feet and it further agrees that it will erect no structure within any airport approach or runway protection zone at the Santa Maria Public Airport without the specific approval of District and the concurrence of the Federal Aviation Administration. In the event the aforesaid covenant is breached, District has the right to enter the Easement Property and remove the offending structure or object, or cut the offending growth, all of which shall be at the expense of the Grantee, its successors and/or assigns.
3. Grantee, by accepting this deed, expressly agrees for itself, its successors and assigns, that it will not make use of or perform any activity on the Easement Property in any manner which might interfere with the landing and taking off of aircraft from the Santa Maria Public Airport District, or any successor airport, or otherwise constitute an airport hazard or interfere with aeronautical activities on or around the Santa Maria Public Airport. In the event the aforesaid covenant is breached, District has the right to enter on the Easement Property and cause the abatement of such interference at the expense of Grantee, its successors and/or assigns.
4. Grantee, by accepting this deed, expressly agrees for itself, its successors and assigns, that it will file Federal Aviation Administration Form 7460-1, Notice of Proposed Construction or Alteration, or successor form, if required, for the purpose of airspace evaluation for any and all construction proposed on the Easement Property.
5. Grantee shall investigate, protect, defend (with counsel acceptable to District) indemnify and hold harmless District, its directors, officers, employees, agents and representatives, (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 Grantee or its officers, agents, employees, guests, customers, licensees or invitees; or Grantee's operations on, or use or occupancy of, the District's property. The foregoing indemnification excludes only liability, damages or loss caused by the sole active negligence of District or its willful misconduct.
6. Grantee shall be responsible, at its sole expense, for all maintenance, repair and replacement of its facilities located within the Easement Property, with the exception of repairs due to or caused by the willful and malicious acts of the District or his agents, employees or invitees. Use of the Easement Property for the purposes described herein

shall not require notice to District; however, if use requires access to District's property other than the Easement Property, Grantee shall first obtain permission for access from District. Any access shall be as limited as is possible considering the work to be performed, with all work taking place primarily in the Easement Property to the extent possible and at all times otherwise in compliance with the terms and conditions of this agreement.

Dated: _____, 2019

DISTRICT:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: _____
Hugh Rafferty, President

By: _____
Carl Engel, Jr., Secretary

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 _____ before me, _____, a Notary Public,
personally appeared _____, 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 _____

(Seal)

CERTIFICATE OF ACCEPTANCE

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA: Government Code § 27281

THIS IS TO CERTIFY that the interest in real property conveyed by the Easement Deed dated _____, 2019, from the SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport of the State of California as GRANTOR to the LAGUNA COUNTY SANITATION DISTRICT, a county sanitation district, is hereby accepted by Order of the Board of Directors thereof on _____, 2019 and the LAGUNA COUNTY SANITATION DISTRICT as GRANTEE consents to recordation thereof by its duly authorized officer.

WITNESS my hand and official seal

this _____ day of _____, 2019

MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By: _____
Deputy Clerk

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: _____
Lina Somait, Deputy County Counsel

Exhibit A

Legal Description

Page 1 of 2

PARCEL 1

A strip of land, 15 feet wide, being a portion of Sections 3 and 4, Township 9 North, Range 34 West, and Section 34, Township 10 North, Range 34 West, San Bernardino Base and Meridian, Santa Maria, County of Santa Barbara, State of California, the centerline of which is described as follows:

Commencing at 3/4" Iron Pipe with a brass tag marked "R.E. 2928" at the intersection of that certain line having a bearing of North 89°47'30" West as shown on the map filed March 1, 1957 in Record of Surveys Book 38 of, Page 44, at the office of County Surveyor of said county, with the westerly line of Parcel One described in the document recorded June 9, 1949 in Book 857, Page 309 of Official Records as having a bearing of North 2°19'05" East and a distance of 2599.46 feet; thence, along said westerly line, North 2°, 22' 38" East a distance of 59.87 feet to the centerline of an easement for sewer line as described in the document recorded December 19, 2013 as Instrument No. 2013-0079248 of Official Records; thence, along said easement the following eight courses: South 38°24'14" East a distance of 606.51 feet; thence, South 88°09'24" East a distance of 2495.72 feet; thence, South 43°05'52" East a distance of 35.32 feet; thence, South 89°09'24" East a distance of 39.34 feet; thence, South 88°06'24" East a distance of 1250.49 feet; thence, South 88°09'24" East a distance of 162.07 feet; thence, South 85°10'50" East a distance of 1619.06 feet; thence, South 88°44'11" East a distance of 84.77 feet to the westerly line of the easement for sewer line described in document recorded March 11, 1964 in Book 2039, at Page 1242 of Official Records, and being the TRUE POINT OF BEGINNING; thence,

- 1st South 88°44'11" East a distance of 4.29 feet; thence,
- 2nd North 1°15'49" East a distance of 82.51 feet; thence,
- 3rd North 46°41'35" East a distance of 97.96 feet; thence,
- 4th South 88°18'25" East a distance of 2,840.48 feet; thence,
- 5th South 43°00'30" East a distance of 537.46 feet; thence,
- 6th North 47°00'34" East a distance of 975.22 feet; thence,
- 7th North 0°30'34" East a distance of 665.35 feet; thence,
- 8th North 89°29'26" West a distance of 61.80 feet; thence,
- 9th North 41°36'55" West a distance of 694.68 feet; thence,
- 10th North 3°23'06" East a distance of 54.41 feet; thence,
- 11th North 46°48'00" East a distance of 209.88 feet; thence,
- 12th North 24°18'00" East a distance of 118.35 feet; thence,
- 13th North 46°48'00" East a distance of 185.73 feet; thence,
- 14th North 41°46'29" West a distance of 208.79 feet; thence,

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Exhibit A Legal Description

Page 2 of 2

15th North 48°13'31" East a distance of 268.15 feet to the west right-of-way line of Skyway Drive and the terminus of said centerline.

The sidelines of said strip are to be lengthened or shortened so as to terminate westerly on the easterly sideline of said Recycled Waterline Easement described in said Instrument No. 2013-0079248 and easterly on the southwesterly right-of-way line of Skyway Drive. Containing 2.41 acres, more or less.

END DESCRIPTION

PARCEL 2

A strip of land, 15 feet wide, being portions of Lot 9 of the Skyway Industrial Park, Tract 5,011 as shown on the map recorded May 17, 1968 in Book 76 of Maps at Pages 35 through 42, inclusive, on file at the office of the County Recorder of said county, and the west half of Section 34, Township 10 North, Range 34 West, San Bernardino Base and Meridian, in the County of Santa Barbara, State of California, the centerline of which is described as follows:

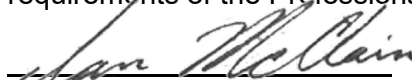
Commencing at the Southeast Corner of said Tract 5,011; thence, along said East line of said tract, North 01°41'27" East, a distance of 377.16 feet to a non-tangent curve concave easterly having a radius of 350.02 feet, to which point a radial line bears South 73°59'38" West, said point also being the TRUE POINT OF BEGINNING; thence,

- 1st Along said curve, northerly an arc distance of 113.14 feet, through a central angle of 18°31'12"; thence,
- 2nd North 1°58'01" East, a distant of 365.77 feet to the beginning of a curve concave westerly and having a radius of 325.00 feet; thence,
- 3rd Along said curve an arc distance of 108.70 feet, through a central angle of 19°09'47", to a point of reverse curvature, concave easterly having a radius of 325.00 feet; thence,
- 4th Along said curve an arc distance of 108.59 feet, through a central angle of 19°08'40", an arc distance of 108.59 feet; thence,
- 5th North 1°56'53" East, a distant of 674.30 feet; thence,
- 6th South 88°20'46" East, a distant of 44.75 feet to the terminus of said centerline.

The sidelines of said strip are to be lengthened or shortened so as to terminate northerly and southerly on the East Line of said Tract 5,011. Containing 0.49 acres, more or less.

END DESCRIPTION

This description was prepared by me or under my direct supervision in conformance with the requirements of the Professional Land Surveyor's Act on this 11th day of March, 2019.


Ian McClain, PLS 8310



EASTERLY LINE OF
RANCHO PUNTA DE
LA LAGUNA

WESTERLY LINE
PER 857 O.R. 309

"RECYCLED WATER LINE
EASEMENT GRANTED TO
LAGUNA COUNTY SANITATION
DISTRICT PER INST. NO.
2013-0079248

POINT OF COMMENCEMENT;
3/4" IRON PIPE WITH
TAG MARKED "R.E. 2928",
PER 38 RS 44

TRUE POINT OF BEGINNING
10' SEWER EASEMENT
GRANTED TO LAGUNA
COUNTY SANITATION
DISTRICT PER 2039 O.R. 1242

APN 111-231-017

PARCEL "G"
LLA89-052984

33 34
4 3

APN 111-231-011

PARCEL "C"
LLA89-052984

APN 111-231-019

PARCEL "F"
LLA89-052984

PARCEL "E"
LLA89-052984

SKYWAY DR

POINT OF
TERMINATION

APN 111-231-009

PARCEL "D"
LLA89-052984

PARCEL 1:
CENTERLINE OF 15'
- RECYCLED
WATERLINE
EASEMENT

FOSTER RD

APN 111-231-008

PARCEL "A"
LLA89-052984

APN 111-231-009

PARCEL "B"
LLA89-052984

BLOSSER RD



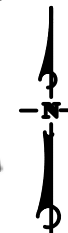
2646 Santa Maria Way, Suite 107, Santa Maria, CA 93455
Phone: (805) 925-2345

P.N. 1840030851

DWG: 184030851_EXH_B_SMAD.dwg



Mar. 11, 2019



SCALE: 1" = 1200'

EXHIBIT B
RECYCLED WATERLINE EASEMENT
LAGUNA COUNTY
SANITATION DISTRICT
COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA

PLOT DATE: 3/11/2019

TRACT 5,011
76 MB 35-42

LOT 10

LOT 11

LOT 12

LOT 9

POINT OF TERMINATION

APN 111-100-016

HAGERMAN
SPORTS
COMPLEX

INST. NO.
2002.0050096

EAST LINE OF
TRACT 5,011

PARCEL 2:
15' RECYCLED
WATERLINE
EASEMENT

TRUE POINT OF
BEGINNING

POINT OF
COMMENCEMENT

APN 111-231-017

PARCEL "G"
LLA89-052984

APN 111-231-019
PARCEL "E"
LLA89-052984

SKYWAY DR

100'



Mar. 11, 2019

APN 111-100-015
WALLER COUNTY PARK

PORTION OF SEC. 34,
T10N, R34W, S.B.B. & M.

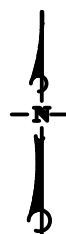


Stantec

2646 Santa Maria Way, Suite 107, Santa Maria, CA 93455
Phone: (805) 925-2345

P.N. 184030851

DWG: 184030851_EXH_C_SMAD.dwg



SCALE: 1"= 300'

EXHIBIT C
RECYCLED WATERLINE EASEMENT
LAGUNA COUNTY
SANITATION DISTRICT
COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA

PLOT DATE: 3/11/2019



Powering Business Worldwide

Cooper Crouse-Hinds, LLC
Airport Lighting
1200 Kennedy Road
Windsor, CT 06095
Phone: (860) 683-4300
Fax: (860) 683-4354
www.chalp.com

Sold-to address

SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DRIVE
SANTA MARIA CA 93455-1836
US

Ship-to address

SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 TERMINAL DRIVE
SANTA MARIA CA 93455-1836
US

Customer Quotation

Agenda Item
11
8/8/19

Page 1 of 2

Quotation Number **22273033** Date **07/31/2019**
Customer Number **631174**
Prepared By **Nir Godel**
Validity period **07/31/2019 to 09/30/2019**
Project Number **WIN 10 UPGRADE AND REMOTE VPN ACCESS**
Project Name **SMX**
Sales Representative **900014780 / WRSM SCOTT GODDARD**
Customer Service Contact **CSC CCH SYRACUSE** Tele: **8667645454** Fax: **3154775153**

Incoterms: Pre-Paid FCA ORIGIN PLANT
Payment Terms: Net 30 Days

THIS DOCUMENT INCORPORATES AND IS SUBJECT TO THE ATTACHED TERMS AND CONDITIONS.

Item	Quantity	UOM	Description	Material No	Price	Ext. Value
Cust.item Catalog Number						
Cust.Material Number						
10	1	EA	1500699-A-A-0-0-0 COMPUTER Tower Industrial Rackmount Computer, WIN 10 including all licenses	12985171	7,068.00	7,068.00
20	1	EA	1500699-A-A-0-2-0 COMPUTER Electrical Vault Industrial Rackmount Computer, 2 Echelon Cards, WIN 10 including all licenses	12979003	8,124.00	8,124.00
30	1	EA	10056-3532 ROUTER, VPN, GIGABIT, 4 PORT VPN Router for Remote Access. Including the inhouse testing and configuration per site details	12867440F	1,800.00	1,800.00
40	4	EA	1500480-2-A MEDIA CONV SERVICE PLATFORM	12452202	482.00	1,928.00
50	1	EA	T5000-10-01-00 DIGITRAC BOARD 3U ASSY	11638575	1,271.47	1,271.47
60	1	EA	ALCMS SOFTWARE Including the software upgrade to WIN 10, testing and documentation	12634165	6,600.00	6,600.00
70	1	EA	ALCMS COMMISSIONING New computers, switches and VPN commissioning and testing Including all travel and airfare expenses	12634167	11,700.00	11,700.00
Product Subtotal						38,491.47
State tax						6.000 % 2,309.49
County tax						1.250 % 481.14
Local tax						1.500 % 577.37
Final amount in USD						41,859.47

Terms and Conditions

Applicable Terms and Conditions

(a) These terms and conditions of sale establish the rights, obligations, and remedies of Buyer and Seller apply to any order issued by Buyer for the purchase of Seller's products and/or services ("Products"). No additional or different terms or conditions, whether contained in Buyer's purchase order form or in any other document or communication relating to Buyer's order, will be binding on Seller unless accepted in writing by an authorized representative of Seller. Any terms or conditions that are not expressly objected to and rejects any additional or different terms and conditions, which shall be ineffective.

(b) If Seller's order acknowledgement, invoice, other document, or electronic transmittal including or otherwise incorporated by reference into these terms and conditions is found to be an acceptance of an offer, acceptance is expressly made conditional on Buyer's assent solely to these terms and conditions, and acceptance of any part of Products delivered by Seller shall be deemed to constitute such assent by Buyer. If the order acknowledgement, invoice, other document, or electronic transmittal does not contain or attaching these terms and conditions constitutes an offer, Buyer's acceptance of the offer is hereby limited to the terms of the offer.

Price, Payment Terms, and Title

(a) All prices represent those in effect at the time of quotation and are subject to change without notice. All prices are bid or quoted as "firm," Seller reserves the right to invoice at prices in effect at the date of shipment, regardless of any prior bid and whether notice was received by Buyer. Prices are stated in United States dollars unless otherwise indicated, are exclusive of shipping, handling, shipping insurance, duties, and sales, use, excise or similar taxes. Freight packaging or any other special handling requested by Buyer will be at Buyer's expense.

(b) Buyer acknowledges that the pricing of the Products has been set based on the agreed allocation of costs contained in these terms and conditions. If, notwithstanding the provisions of these terms and conditions, a court of competent jurisdiction determines that Buyer's terms and conditions apply to an order, then Seller shall have the right to either modify the prices (including retroactively) according to the additional level of risk and responsibility that Buyer's terms and conditions require Seller to undertake; or (ii) cancel the order any time after such a determination without liability for the Seller other than for the Products already delivered on these terms and conditions.

(c) Unless different credit terms have been extended to Buyer in writing by Seller, payment terms are net 30 days after delivery or date of invoice, whichever first occurs, in the currency invoiced. Seller reserves the right to modify or vary credit terms at any time without notice. If Buyer fails to fulfill the terms of payment, Seller may defer further shipments to Buyer or, at its option, cancel the unshipped portions of Buyer's orders. Buyer agrees to pay interest on all past due invoices at the lesser of 18% per annum, compounded monthly, or the highest contractual rate allowable under the law.

(d) Until full payment of all obligations of the Buyer for an order, Seller reserves the title (but not the risk of loss) to all Products furnished under that order. If the Buyer defaults in payment or performance or becomes subject to bankruptcy, receivership or bankruptcy proceedings or makes an assignment for the benefit of creditors, or without the consent of Seller voluntarily or involuntarily sells, transfers, leases or permits any lien or attachment on the Products, Seller shall retain all amounts then or thereafter owing by Buyer to be immediately due and payable and Seller at its election may repossess Products for which Buyer has not paid in full. In the event of repossession of Products under this section, Buyer agrees that Seller may enter the premises where the Products may be located and remove them without notice and without liability to Buyer for such repossession. Buyer will not set off invoiced amounts or any portion thereof against sums that are due or may become due from Seller, its parents, affiliates, or subsidiaries. Buyer grants Seller a security interest in all Products for which title has passed (including all after-acquired Products) that Seller sells Buyer and all proceeds of Products including but not limited to all products in which Products are incorporated and any funds and products that Buyer receives in connection with the sale of Products. Buyer consents to Seller's execution of any documents to evidence and perfect this security interest, and agrees to execute the same if requested by Seller.

Delivery and Risk of Loss

(a) Unless otherwise agreed in writing, all deliveries of Products will be FCA (Incoterms 2000) Seller's warehouse. Products will be packed in Seller's standard commercial shipping packages. Charges for shipping may not reflect net transportation costs paid by Seller. Buyer shall reimburse Seller for all costs of storage and handling incurred by Seller after the date that Seller is prepared to make shipment.

(b) Delivery and shipping dates are approximate and represent Seller's best estimate of the time required to make delivery or shipment. Time is not of the essence with respect to the transactions covered by these terms and conditions, except with respect to Buyer's obligation to make all related payments. Seller's obligations under these terms and conditions will be dependent upon Seller's ability to obtain necessary raw materials and components. Seller shall have the right to make partial deliveries and to ship up to forty (40) days in advance of shipping date.

Acceptance

Acceptance shall occur, if not before, when Buyer fails to reject within ten (10) days after delivery of the Products. Buyer may rightfully reject only when a reasonable inspection shows that the Products fail to conform substantially to the specifications for the Products. Buyer waives any right to revoke acceptance. Buyer's remedies for any nonconformity after acceptance are limited to those expressly provided in these terms and conditions for breach of warranty.

Limited Warranty

(a) Seller warrants to each original Buyer of Products that Products are, at the time of delivery to the Buyer, in good working order and conform to Seller's official published specifications, provided that no warranty is made with respect to any Products, lamps, component parts, or accessories manufactured by others but supplied by Seller.

(b) Seller's obligation under this warranty for any Product proved not to be as warranted within the applicable warranty period is limited to, at its option, replacing the Product, refunding the purchase price of the Product, or making reasonable efforts to repair the Product during normal business hours at any authorized service facility of Seller. All Products of transportation of any Product claimed not to be as warranted and of any repaired or replacement Product to or from the authorized service facility shall be born by Buyer.

(c) Seller may require the return of any Product claimed not to be as warranted to one of its facilities as designated by Seller, transportation prepaid by Buyer, to establish a claim under this warranty. The cost of labor for removing the Product and for installing a repaired or replacement Product shall be borne by Buyer. Replacement parts provided under this warranty are warranted for the remainder of the warranty period of the Products in which they are installed to the same extent as if such parts were original components. Warranty services provided under these terms and conditions do not assure uninterrupted operations of Products; Seller shall not be liable for damages caused by any delays involving warranty service.

(d) The warranty period for Products, except for LED Products, is twelve(12) months from the date of shipment unless otherwise agreed by Seller in writing.

(e) The warranty period for LED Products is forty-eight (48) months from the documented installation completion date. LED Products are light fixtures containing light emitting diode other than solar, utility and obstruction lighting.

(f) EXCEPT FOR THE EXPRESS WARRANTY SET FORTH ABOVE, SELLER PROVIDES PRODUCTS AS IS AND MAKES NO OTHER REPRESENTATIONS OR WARRANTIES.EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, REGARDING THE PRODUCTS, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THEIR DURABILITY, THEIR QUALITY, THEIR NONINFRINGEMENT, OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE FOR THE COST OF PROCUREMENT OR INSTALLATION OF SUBSTITUTE GOODS.

LIMITATION OF LIABILITY

IN NO EVENT WILL SELLER BE LIABLE FOR ANY SPECIAL DAMAGES, CONSEQUENTIAL DAMAGES, INDIRECT DAMAGES, INCIDENTAL DAMAGES, STATUTORY DAMAGES, EXEMPLARY OR PUNITIVE DAMAGES, LOSS OF PROFITS, LOSS OF REVENUE, LIQUIDATED DAMAGES, OR LOSS OF USE, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. SELLER'S LIABILITY FOR DAMAGES ARISING OUT OF OR RELATED TO THE PRODUCTS SHALL IN NO CASE EXCEED THE PURCHASE PRICE OF THE PRODUCT FROM WHICH THE CLAIM AROSE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY TO ALL OTHER SELLER'S LIABILITY ARISES OR RESULTS FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE (INCLUDING BUT NOT LIMITED TO NEGLIGENCE, GROSS NEGLIGENCE, MALICE, OR INTENTIONAL NEGLIGENCE), STRICT LIABILITY, BY OPERATION OF LAW, OR OTHERWISE.

Cancellation and Return of Products

Orders shall not be subject to cancellation or modification either in whole or in part without Seller's written consent and then only with terms that will reimburse Seller for reasonable termination charges, including all progress billings and all incurred direct manufacturing costs. Seller's written consent must be given in advance of Buyer's return of Products for credit. Seller reserves the right to cancel any sale of Products without liability to Buyer (except for refund of monies already paid), if the manufacture or sale of the goods is or becomes technically or economically impractical.

8.

Force Majeure

Seller shall not be liable for any failure to perform or delay in performing its obligations resulting directly or indirectly from or contributed to by any acts of God, acts of Buyer or those under Buyer's control, acts of government or other civil or military authorities, priorities, strikes, or other labor disputes, fires, accidents, floods, epidemics, war, riot, embargoes, delays in transportation, lack of or inability to obtain raw materials, components, labor, fuel or supplies, or other circumstances beyond Seller's reasonable control ("Force Majeure Event"). If Seller elects, the time for performance shall be extended by a period of time equal to the time lost because of any delays caused by reasons of a Force Majeure Event. Should Seller be prevented from completing Buyer's order or any part thereof because of any Force Majeure Event, then Buyer agrees promptly upon request and upon receipt of invoice therefor, to pay Seller for any Product or Products then completed.

9.

Work Product

"Work Product" shall include, without limitation, all designs, discoveries, creations, works, devices, masks, models, work in progress, service deliverables, inventions, products, special tooling, computer programs, procedures, improvements, developments, drawings, notes, documents, business processes, information and materials made, conceived or developed by Seller alone or with others that result from or relate to the Products. All Work Product shall at all times be and remain the sole and exclusive property of Seller. Buyer hereby agrees to irrevocably assign and transfer to Seller and does hereby assign and transfer to Seller all of its worldwide right, title and interest in and to the Work Product including all associated intellectual property rights. Buyer hereby waives any and all moral and other rights in any Work Product or any other intellectual property created, developed or acquired in respect of the Products. Seller will have the sole right to determine the treatment of any Work Product, including the right to keep it as trade secret, execute and file patent applications on it, to use and disclose it without prior patent application, to file registrations for copyright or trademark in its own name or to follow any other procedure that Seller deems appropriate. All tools and equipment supplied by Buyer to Seller shall remain the sole property of Seller.

10.

Confidentiality

(a) Buyer may acquire knowledge of Seller Confidential Information (as defined below) in connection with Products and/or its performance hereunder and agrees to keep Seller Confidential Information in confidence during and following termination or expiration of this Agreement. "Seller Confidential Information" includes but is not limited to all information, whether written or oral, in any form, including, without limitation, information relating to the research, development, products, methods of manufacture, trade secrets, business plans, customers, vendors, finances, personnel data, Work Product, and other material or information considered proprietary by Seller relating to the current or anticipated business or affairs of Seller that is disclosed directly or indirectly to Buyer. In addition, Seller Confidential Information means any third party's proprietary or confidential information disclosed to Buyer in the course of providing Products to Buyer.

(b) Buyer agrees not to copy, alter or directly or indirectly disclose any Seller Confidential Information. Additionally, Buyer agrees to limit its internal distribution of Seller Confidential Information to Buyer's employees who have a need to know, and to take steps to ensure that the dissemination is so limited. In no event will Buyer use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care to prevent the unauthorized use of Seller Confidential Information. Buyer may disclose Seller Confidential Information care is required to be disclosed pursuant to a requirement of a government agency or law but only after Buyer provides prompt notice to Seller of such requirement and gives Seller the opportunity to challenge or limit the scope of the disclosure.

(c) Buyer further agrees not to use Seller Confidential Information except in the course of performing hereunder and will not use such Seller Confidential Information for its own benefit or for the benefit of any third party. All Seller Confidential Information is and shall remain the property of Seller. Upon Seller's written request, Buyer shall return, transfer or assign to Seller all Seller Confidential Information, including all Work Product, and all copies containing Seller Confidential Information.

11.

Patent Indemnity

In the event any Product is made in accordance with drawings, samples or manufacturing specifications designated by Buyer, Buyer agrees to indemnify, defend and hold Seller harmless from any and all damages, costs and expenses (including attorney's fees) relating to any claim arising from or relating to the design, distribution, manufacture, marketing, sale, or use of the Product or arising from or relating to a claim that such Product furnished to Buyer by Seller, or the use thereof, infringes any claim of any patent, foreign or domestic, and Buyer agrees at its own expense to undertake the defense of any suit against Seller brought upon such claim or claims.

12.

Changes in Product Design or Manufacture

Seller shall have the right to change, discontinue or modify the design and construction of any of its products and to substitute material equal to or superior to that originally specified.

13.

Software License

Software, if included with a Product, is hereby licensed and not sold. The license is nonexclusive, and is limited to use with the Product with which it is included. No other use is permitted and Seller retains for itself (or, if applicable, its suppliers) all title and ownership to any software delivered hereunder, all of which contains confidential and proprietary information and which ownership includes without limitation all rights in patents, copyrights, trademarks and trade secrets. Buyer shall not attempt any sale, transfer, sublicense, reverse compilation or disassembly (save to the extent expressly permitted by law) or redistribution of the software. Buyer shall not copy, disclose or display any such software, or otherwise make it available to others.

14.

Compliance with Laws

Buyer shall comply with all laws and regulations applicable to Products including but not limited to all applicable import and export laws and regulations. Buyer and Buyer's Agent shall provide all information requested by Seller relating to Seller's voluntary or mandatory compliance with any law or regulation, and Buyer shall indemnify Seller for any losses incurred by Seller arising from Buyer's or Buyer's agent's failure to provide the information requested by Seller.

15.

Waiver

No waiver of any provision of these terms and conditions (or any right or default hereunder) shall be effective unless in writing and signed by an authorized representative Seller. Any such waiver shall be effective only for the instance given, and shall not operate as a waiver with respect to any other rights or obligations under these terms and conditions or applicable law in connection with any other instances or circumstances.

16.

Language

The parties have expressly required that these terms and conditions be prepared in the English language. Les parties aux présentes ont expressément exigé que les présents termes et les bons de commandes émis aux termes des présentes soient rédigés en langue Anglaise.

17.

Choice of Law and Dispute Resolution

Except as set forth below, these terms and conditions shall be governed by and construed in accordance with the laws of the State of Texas, without reference to its choice of law rules. If both Seller and Buyer are incorporated under the laws of Canada or a province of Canada, these terms and conditions shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada. If Buyer is incorporated in the United States, any claim or litigation arising out of or relating to Products shall be brought exclusively in a court of competent jurisdiction in Harris County, Texas. If Buyer is incorporated outside of the United States, any dispute will be resolved by arbitration in Houston, Texas, by three arbitrators and under the International Chamber of Commerce Rules of Arbitration. The language of the arbitration will be English. In all cases, Buyer and Seller expressly exclude from application the United Nations Convention on Contracts for the International Sale of Goods.

18.

Assignment

Buyer may not assign, transfer or subcontract the performance of its services, or any of its rights and/or obligations hereunder, without Seller's prior written consent.

19.

Severability

If any provision of these terms and conditions is determined to be illegal, invalid, or unenforceable, the validity and enforceability of the remaining provisions of these terms and conditions will not be affected and, in lieu of such illegal, invalid, or unenforceable provision, there will be added, as part of these terms and conditions, one or more provisions as similar in terms as may be legal, valid and enforceable under applicable law. CCH 033012