



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

**Thursday  
February 12, 2026**

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

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

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

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL: Brown, Adams, Guy, Clayton, Rodriguez**

- 1. MINUTES OF THE REGULAR MEETING HELD JANUARY 22, 2026**
- 2. COMMITTEE REPORT(S):**
  - a) EXECUTIVE
  - b) ADMINISTRATION & FINANCIAL
  - c) SAFETY & SECURITY
  - d) REAL ESTATE
  - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT
  - f) GOVERNMENT AFFAIRS
  - g) MARKETING & PROMOTIONS
  - h) GENERAL AVIATION
- 3. GENERAL MANAGER'S REPORT**
- 4. FINANCE REPORT**
  - a) Demand Register

5. **PUBLIC SESSION:** Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish a time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
6. **RESOLUTION 953. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT EXPRESSING APPRECIATION TO IGNACIO (NASH) MORENO FOR SERVICE ON THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT.**
7. **PRESENTATION BY DISTRICT COUNSEL TO DISCUSS BROWN ACT POLICIES.**
8. **APPROVE CONSENT AND AGREEMENT TO THE LEVY OF A CONTRACTUAL ASSESSMENT ON A LEASEHOLD INTEREST WITH UNITED LIONS CORPORATION, LESSEE OF THE PROPERTY LOCATED AT 3455 SKYWAY DRIVE (RADISSON HOTEL) AND AUTHORIZE BOARD PRESIDENT AND SECRETARY TO EXECUTE ON BEHALF OF THE DISTRICT.**
9. **AUTHORIZATION FOR THE GENERAL MANAGER TO ADD DIRECTOR MARVIN RODRIGUEZ AS AN AUTHORIZED SIGNATURE ON THE ACCOUNT AT PACIFIC PREMIER BANK AND REMOVE KATYA HAUSSLER AS AN AUTHORIZED AGENT.**
10. **CLOSED SESSION:** The Board will hold a Closed Session to discuss the following item(s):
  - a) **Conference with Real Property Negotiators: APN: 111-231-2 and 111-231-17. Agency negotiators: General Manager and District Counsel. Negotiating parties: Aerostar Properties. Under Negotiation: Through the Fence Agreement (Gov. Code Section 54956.8).**
  - b) **Conference with Real Property Negotiators: APN: 111-231-17. Agency negotiators: General Manager and District Counsel. Negotiating parties: Potential lessees to be determined. Under Negotiation: Price and terms of payment. (Gov. Code Section 54956.8).**
11. **DIRECTORS' COMMENTS.**
12. **ADJOURNMENT.**

MINUTES OF THE SPECIAL BOARD  
MEETING OF THE BOARD OF DIRECTORS  
OF THE SANTA MARIA PUBLIC AIRPORT  
DISTRICT HELD JANUARY 22, 2026

The Board of Directors of the Santa Maria Public Airport District held a Special Meeting at the regular meeting place at 12:00 p.m. Present were Directors Brown, Clayton, and Rodriguez, General Manager, Pehl, Manager of Finance & Administration, Flores, and District Counsel Steele. Directors Adams and Guy were absent.

1. Administer Oath of Office to New Director Rodriguez. President Brown administered the oath.
2. MINUTES OF THE REGULAR MEETING HELD January 8, 2026. Director Clayton made a Motion to approve the minutes of the regular meeting held January 8, 2026. Director Brown Seconded, and it was carried by a 2-0-1 vote. Director Rodriguez abstained.
3. COMMITTEE REPORT(S):
  - a) EXECUTIVE – The committee met to set the agenda.
  - b) ADMINISTRATION & FINANCIAL – No meeting scheduled.
  - c) SAFETY & SECURITY – No meeting scheduled.
  - d) REAL ESTATE – The committee met to discuss a current lease.
  - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT– No meeting scheduled.
  - f) GOVERNMENT AFFAIRS – The committee met for the quarterly meeting with the City.
  - g) MARKETING & PROMOTIONS – No meeting scheduled.
  - h) GENERAL AVIATION – No meeting scheduled.
4. GENERAL MANAGER’S REPORT: General Manager Pehl provided updates on Customs and solar. He provided information from meetings he has attended which include the Nipomo Rotary and the REACH Council.
5. The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.
  - a) Demand Register. The Demand Register, covering warrants 074385 through 074414 in the amount of \$468,514.56, was recommended for approval as presented. Director Clayton made a Motion to accept the Demand Register as presented. Director Brown Seconded, and it was carried by a 3-0 vote.
  - b) Budget vs. Actual. Received and filed.
  - c) Financial Statements. Received and filed.
  - d) Quarterly Investment Report. Received and filed.

6. PUBLIC SESSION: Statements from the floor regarding items on this agenda only 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. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish a time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.

No one requested to speak.

7. Authorization for the General Manager to remove Director Ignacio Moreno as an authorized signature on the account at Pacific Premier Bank and add the Manager of Finance and Administration, Micheal Flores, as an authorized agent. Director Clayton made a Motion to approve. Director Brown Seconded, and it was carried by a 3-0 vote.
8. Authorization for the President to cast a ballot for the election for LAFCO Regular Special District Member. Director Brown made a Motion to nominate Dorinne Lee Johnson. Director Clayton Seconded, and it was carried by a 3-0 vote.
9. Authorization for the President and Secretary to execute the First Amendment of Service Agreement between the District and The Hunt Group Consultants, LLC for Land Use Planning and Federal Grant Support. Director Brown made a Motion to approve. Director Clayton Seconded, and it was carried by a 3-0 vote.
10. Discussion and direction to staff regarding the rent study. This item was tabled.
11. Closed Session. At 12:16 p.m. the Board went into Closed Session to discuss the following item(s):
- a) Conference with Real Property Negotiators: APN: 111-231-2 and 111-231-17. Agency negotiators: General Manager and District Counsel. Negotiating parties: Aerostar Properties. Under Negotiation: Through the Fence Agreement (Gov. Code Section 54956.8).

At 12:26 p.m., the Board and staff reconvened to Open Public Session.

There were no reportable actions.

12. Directors' Comments. Director Clayton discussed the upcoming basketball tournament he is hosting on the 24th, which the District is sponsoring to promote the new American Airlines service. He encouraged the public to utilize the new service and highlighted its importance to the community. He also welcomed Micheal Flores as the new Manager of Finance & Administration.
- Director Rodriguez thanked the Board for his appointment to the Board of Directors and expressed his commitment to serving the community.
- Director Brown spoke about the new American Airlines service and encouraged Board members and staff to continue promoting the service within the community. He also welcomed Director Rodriguez.
13. Adjournment: President Brown asked for a Motion to adjourn to a Regular Meeting to be held on February 12, 2026, at the regular meeting place. Director Clayton made that Motion, Director Brown Seconded, and it was carried by a 3-0 vote.

ORDER OF ADJOURNMENT

This Special Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 12:29 p.m. on January 22, 2026.

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Steve Brown, President

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Tony Guy, Secretary

**DEMAND REGISTER  
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 074415 to 074489 and electronic payments on Columbia Bank and in the total amount of \$ 311,616.62.

\_\_\_\_\_  
MARTIN PEHL  
GENERAL MANAGER

\_\_\_\_\_  
DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 074415 to 074489 and electronic payments on Columbia Bank in the total amount of \$311,616.62 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.

\_\_\_\_\_  
MICHEAL FLORES  
MANAGER OF FINANCE AND ADMINISTRATION

\_\_\_\_\_  
DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF FEBRUARY 12, 2026.

\_\_\_\_\_  
TONY GUY  
SECRETARY

**Santa Maria Public Airport District**

**Demand Register**

Check Number	Check Date	Vendor Name	Check Amount	Description
* 74415	1/28/2026	Advance Media New York	\$57,018.55	Airport Advertising
* 74416	1/28/2026	American Assn of Airport Exec	\$495.00	Digicast - 4/1/26 - 6/30/26
* 74417	1/28/2026	American Industrial Supply	\$90.15	Terminal Maintenance
* 74418	1/28/2026	Astound	\$950.65	Network Services - Terminal
* 74419	1/28/2026	AT&T	\$188.26	Telephone Service
* 74420	1/28/2026	Aviation Management	\$4,775.00	SMX Rent & Fee Study
* 74421	1/28/2026	BC Pump Sales & Service, Inc	\$301.06	Shop Supplies
* 74422	1/28/2026	BMI PacWest	\$4,956.78	Terminal Maintenance
* 74423	1/28/2026	Bomar Security & Investigation	\$5,536.00	Security Service
* 74424	1/28/2026	City of Santa Maria	\$310.00	False Alarm Fee
* 74425	1/28/2026	City of Santa Maria	\$6,873.15	Utilities - Water
* 74426	1/28/2026	Comcast	\$1,461.38	Cable/Internet/Digital Voice
* 74427	1/28/2026	Consolidated Electrical	\$745.77	Terminal Lighting Maintenance
* 74428	1/28/2026	Fence Factory	\$356.92	Fencing & Gates
* 74429	1/28/2026	Grainger	\$240.26	Shop Supplies
* 74430	1/28/2026	Gsolutionz, Inc.	\$406.87	Voice Svs - January 2026
* 74431	1/28/2026	Hayward Lumber Company	\$54.32	Hangar Maintenance
* 74432	1/28/2026	Heath, Ray	\$3,575.20	Consulting Services - Contingencies
* 74433	1/28/2026	J B Dewar, Inc	\$250.13	Unleaded/Diesel Fuel
* 74434	1/28/2026	Kimball Midwest	\$86.15	Shop Supplies
* 74435	1/28/2026	Limotta Internet Technologies	\$6,348.00	IT Subscriptions - 2nd Quarter
* 74436	1/28/2026	Madland Toyota-Lift, Inc.	\$420.71	Vehicle Maintenance
* 74437	1/28/2026	McMaster-Carr	\$104.62	Office Supplies/Admin Bld Maint
* 74438	1/28/2026	Mead & Hunt, Inc.	\$8,000.00	Airport Consulting Service
* 74439	1/28/2026	Mission Linen Service	\$173.52	Uniform Service
* 74440	1/28/2026	Napa Auto Parts	\$32.60	Vehicle Maintenance
* 74441	1/28/2026	Olea Montebello, Adriana	\$430.00	Tenant Refund
* 74442	1/28/2026	ReNewell Fleet Service	\$454.47	Vehicle Maintenance
* 74443	1/28/2026	RRM Design Group	\$6,564.25	SMX Bus. Park Spec. Plan Amendment
* 74444	1/28/2026	S Lombardi & Assoc., Inc.	\$4,435.00	Airport Advertising
* 74445	1/28/2026	Safety-Kleen	\$1,600.23	Vehicle/Hangar Maintenance
* 74446	1/28/2026	Short, Benjamin	\$578.00	Tenant Refund
* 74447	1/28/2026	Tri-Counties Plant Service	\$275.00	Interior Plant Service - Terminal
* 74448	1/28/2026	U.S. Dept. of Agriculture	\$420.51	Wildlife Abatement Program
* 74449	2/9/2026	Adams, Chuck	\$100.00	Director's Fees
* 74450	2/9/2026	Astound	\$950.65	Network Services - Terminal
* 74451	2/9/2026	AT&T	\$92.79	Telephone Service
* 74452	2/9/2026	Bomar Security & Investigation	\$9,421.56	Security Service
* 74453	2/9/2026	Brown, Steve	\$400.00	Director's Fees
* 74454	2/9/2026	C.J. Brown & Company, CPAs	\$625.00	Annual Audit/State Controller's Report
* 74455	2/9/2026	Coast Networx	\$210.00	Network Support Services
* 74456	2/9/2026	Comcast Business	\$2,791.32	Internet Service

**Santa Maria Public Airport District**

**Demand Register**

Check Number	Check Date	Vendor Name	Check Amount	Description
* 74457	2/9/2026	Consolidated Electrical Distributors, Inc.	\$396.23	Customs/Terminal Lighting&Maintenance
* 74458	2/9/2026	David K. Wolff Environmental, LLC	\$10,440.85	Environmental Consulting
* 74459	2/9/2026	Emergency Repair Door Service	\$300.00	Terminal Maintenance
* 74460	2/9/2026	Fence Factory	\$1,388.00	Temporary Fence Rental
* 74461	2/9/2026	Fenton, Kerry	\$9,178.20	Conferences, Promotion, Customs Supplies
* 74462	2/9/2026	Ferguson US Holdings, Inc.	\$264.73	Revenue Generating Land Maintenance
* 74463	2/9/2026	Grainger	\$247.70	CUSTOMS - Water Heater
* 74464	2/9/2026	Gsolutionz, Inc.	\$95.60	GPS Cloud Services - Phones
* 74465	2/9/2026	Guy, Anthony Ted	\$300.00	Director's Fees
* 74466	2/9/2026	Haute Social by Hayley	\$1,075.00	Airport Advertisement
* 74467	2/9/2026	J B Dewar, Inc	\$445.07	Unleaded/Diesel Fuel
* 74468	2/9/2026	JD Humann Landscaping, Inc	\$1,054.00	Irrigation Repairs
* 74469	2/9/2026	Local Copies, Etc.	\$72.17	Business Cards
* 74470	2/9/2026	Los Padres Fire Protection	\$81.99	Customs - Fire Extinguishers
* 74471	2/9/2026	MarTeeny Designs	\$550.00	Website Maintenance
* 74472	2/9/2026	Mission Linen Service	\$459.06	Uniform Service
* 74473	2/9/2026	Oberon3, Inc	\$50.00	Terminal Maintenance
* 74474	2/9/2026	O'Reilly Automotive, Inc.	\$44.33	Vehicle Maintenance
* 74475	2/9/2026	Pacific Telemanagement Services	\$463.00	Pay Phone Services - Terminal
* 74476	2/9/2026	PeakWiFi LLC	\$797.50	Radio Pre-configuration and replacement
* 74477	2/9/2026	RB Clean & Sweep	\$950.00	Street Sweeping/Concrete Cleaning
* 74478	2/9/2026	Richards, Watson & Gershon	\$9,338.00	Legal Counsel Services
* 74479	2/9/2026	Rick's Car Care Inc.	\$840.13	Vehicle Maintenance
* 74480	2/9/2026	Rodriguez, Marvin	\$100.00	Director's Fees
* 74481	2/9/2026	San Luis Powerhouse	\$690.00	Quarterly Testing of Emergency Generators
* 74482	2/9/2026	Santa Maria Breakfast Rotary	\$750.00	Airport Advertisement - Parade of Lights
* 74483	2/9/2026	SB County Air Pollution	\$1,362.00	Diesel Emergency Engine Fee
* 74484	2/9/2026	Service Star	\$12,606.53	Janitorial Service
* 74485	2/9/2026	The Land Trust for SB County	\$25,000.00	Phase II Environmental Review
* 74486	2/9/2026	Tower Patrol	\$3,257.06	D3 Security Trailer w/Solar Panel
* 74487	2/9/2026	Tri-Counties Plant Service	\$275.00	Tri-Counties Plant Service
* 74488	2/9/2026	Verizon Wireless	\$2,612.33	Mobile Devices/Equipment Charges
* 74489	2/9/2026	VTC Enterprises	\$84.00	Paper Recycling
		Subtotal	<u>\$218,668.31</u>	
ACH	1/20/2026	Empower	\$5,077.50	Employee Paid Retirement
ACH	1/21/2026	Umpqua Bank (Columbia)	\$8,028.26	Airport Advertising, Office Equipment
ACH	1/21/2026	U.S. Bank Equipment Finance	\$573.14	RICOH Printer Lease
ACH	1/22/2026	Frontier Communications	\$952.69	Telephone Service
ACH	1/22/2026	Clark Pest Control	\$272.00	Terminal Maintenance
ACH	1/28/2026	Clark Pest Control	\$3,240.75	Weed/Wildlife Abatement

**Santa Maria Public Airport District**

**Demand Register**

Check Number	Check Date	Vendor Name	Check Amount	Description
ACH	1/29/2026	Paychex	\$8,530.42	Payroll Taxes
ACH	1/29/2026	Paychex	\$32,358.07	Payroll
ACH	1/29/2026	Aflac	\$204.24	Employee Voluntary Insurance
ACH	1/29/2026	Primo Brands	\$49.06	Water Delivery
ACH	1/29/2026	Frontier Communications	\$344.17	Telephone Service
ACH	1/29/2026	Amazon Capital Services	\$692.74	Shop Supplies/Office Equipment
ACH	1/30/2026	Paychex	\$212.27	Paychex Invoice
ACH	1/30/2026	Ultrex	\$19.90	Equipment Lease - Usage Charge
ACH	1/30/2026	Home Depot	\$1,366.34	Shop Supplies/Terminal Maintenance
ACH	2/2/2026	Empower Retirement	\$5,710.14	Employee Paid Retirement
ACH	2/2/2026	Primo Brands	\$140.90	Water Delivery
ACH	2/2/2026	Principal	\$2,901.34	Employee Dental/Life/Disability Insurance
ACH	2/4/2026	CalPers	\$19,239.83	Unfunded Liability
ACH	2/5/2026	CalPers	\$2,926.89	Employee Retirement
ACH	2/9/2026	Primo Brands	\$107.66	Water Delivery
		Subtotal	<u>\$92,948.31</u>	
		Total	<u><u>\$311,616.62</u></u>	

**RESOLUTION NO. 953**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT EXPRESSING APPRECIATION TO IGNACIO ‘NASH’ MORENO FOR SERVICE ON THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT.**

**WHEREAS**, the members of the Board of Directors of the Santa Maria Public District take this opportunity to express their genuine and sincere appreciation to Ignacio ‘Nash’ Moreno for his valued long-standing contribution and outstanding service performed as President of the Board of Directors of the Santa Maria Public Airport District; and

**WHEREAS**, beginning December 8, 2022, Mr. Moreno has served nearly 3 years on the Board of Directors, and has committed to the needs of airport tenants, the aviation community and the Santa Maria Valley community at large, and has contributed greatly to the growth and development of the Santa Maria Public Airport; and

**WHEREAS**, Mr. Moreno’s dedication and guidance while serving on the Administration and Financial and Marketing and Promotions Committees has greatly enhanced the public perception, appearance and fiscal well-being of the airport; and

**WHEREAS**, Mr. Moreno’s leadership as the liaison with the City and County Government has substantially contributed to positive intergovernmental communication, understanding, and cooperation; and

**WHEREAS**, during his tenure as President, Mr. Moreno provided critical leadership through the successful settlement of two major lawsuits with state and federal agencies, which restored stability to the District and allowed the Airport to move forward with confidence; and

**WHEREAS**, Mr. Moreno played a central role in rebuilding and strengthening relationships with local, state, and federal partners, resulting in improved intergovernmental cooperation and renewed trust in the District’s operations; and

**WHEREAS**, under Mr. Moreno’s leadership, the District advanced key sustainability and infrastructure initiatives, including the addition of new solar infrastructure that reduces long-term energy costs and enhances the Airport’s financial resilience; and

**WHEREAS**, Mr. Moreno championed efforts that successfully secured twice-daily commercial air service to a major hub, improving regional connectivity and bringing significant economic benefit to the Santa Maria Valley; and

**WHEREAS**, recognizing the importance of long-term financial stability, Mr. Moreno supported updates to District fee structures to ensure the continued viability of Airport operations, maintenance, and future development; and

**WHEREAS**, the directors of the Santa Maria Public Airport District commends Mr. Moreno for his demonstrated leadership, thoughtful scrutiny, and steadfast professionalism, which have set a high standard of governmental excellence during his service;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Santa Maria Public Airport District hereby commends and sincerely thanks Ignacio “Nash” Moreno for his leadership, exemplary professionalism, dedication, and service to the Santa Maria Public Airport District.

**PASSED AND ADOPTED** at the regular meeting of the Board of Directors of the Santa Maria Public Airport District held on February 12, 2026, by the following roll call vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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**Steven Brown, President**

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**Tony Guy, Secretary**



**TO:** President and  
Members of the Board  
Board of Directors  
Santa Maria Public Airport District  
3217 Terminal Drive  
Santa Maria, CA 93455

**FROM:** Craig A. Steele, General Counsel  
Richards Watson & Gershon

**MEETING:** February 12, 2026

**ITEM**

Authorization for the President and Secretary to Execute a Consent and Agreement to the Levy of A Contractual Assessment on a Leasehold Interest and to Related Matters and Estoppel Certificate regarding Ground Lease with United Lions Corporation

**BACKGROUND**

The Santa Maria Public Airport District (“District”) and H&H, LLC and Edgewater Motel, Inc. (“H&H”) entered into a Ground Lease on July 14, 2011, effective on August 1, 2011, as amended and restated on October 27, 2022 (“Lease”). The District, as Landlord, leased property containing an area of approximately 5.19 acres, located at 3455 Skyway Drive, Santa Maria, California 93455 (“Property”). On October 27, 2022, H&H assigned the Lease to United Lions Corporation (“Tenant”), assigning all rights and obligations under the Lease to Tenant for the remainder of the Lease term. Tenant’s term on the Lease, following the assignment, commenced on November 30, 2022 and expires on November 29, 2062.

Tenant is undergoing a renovation project on the Property and has secured various funding sources for the project. Tenant is currently pursuing its options for funding under the California Statewide Communities Development Authority (“CSCDA”) Open PACE Program (“PACE Program”). CSCDA is a public entity. The PACE Program assists property owners with financing for the installation of, among other things, certain renewable energy, energy and water efficiency, and seismic strengthening improvements that are permanently fixed to real property and authorized by statute.

When the property is leased, the PACE Program requires cooperation from the landlord of the property as well as a local sponsoring agency. As the first step in pursuing this funding option, Tenant requests that the District, as Landlord, sign the document titled “Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters” (“Consent and Agreement”) and an Estoppel Certificate.

Signing the Consent and Agreement would provide the District’s consent to Tenant entering into an agreement with CSCDA regarding the funding, acknowledge that Tenant is not violating the terms of the Lease by entering into an agreement with CSCDA, and agree that the District would recognize and be

bound to any subsequent buyer of the Leasehold interest following a foreclosure sale. Signing the Estoppel Certificate would confirm the current, accurate status of the Lease between District and Tenant.

### **ANALYSIS**

The Lease, at Article 11, outlines the terms for Leasehold Financing arrangements, such as the arrangement Tenant seeks through the PACE Program.

Section 11.01 of the Lease, provides Tenant the option to subject its interest in the Lease for financing purposes. The District's ownership interest in the Property is not altered when Tenant chooses to engage in these arrangements. The interest of a lender and mortgage is subject to the covenants, conditions, and restrictions of the Lease and all rights and interests of the District. The provisions of Article 11 allow lender to prevent any forfeiture under the Lease, cure a default of Tenant, and provides that the purchaser at the foreclosure sale shall assume the interest of Tenant following this sale. Section 16.06 allows Tenant to seek an Estoppel Certificate from the District and make such representations regarding the Lease that a lender may need for its financing of the project.

The terms of the Consent and Agreement and Estoppel Certificate are consistent with rights provided to Tenant through the Lease and the financing will provide a benefit to the Airport by providing funds for covered improvements. Our office has reviewed the documents and requested certain changes, to which the Tenant and the lender have agreed.

### **RECOMMENDATION**

The General Counsel recommends that the Board of Directors authorize the President and Secretary to execute the Consent and Agreement and Estoppel Certificate regarding the District's Lease with United Lions Corporation.

### **ATTACHMENTS**

- A. Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters Executed by Tenant
- B. Estoppel Certificate