



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

**Thursday  
December 11, 2025**

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

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

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

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

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

- 1. ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS-ELECTION OF OFFICERS PURSUANT TO ARTICLE 1, SECTION 5, OF THE OFFICIAL ADMINISTRATIVE CODE OF THE DISTRICT.**
- 2. APPOINTMENT OF MEMBERS TO COMMITTEES AND ASSIGNMENT TO LIAISON POSITIONS.**
- 3. MINUTES OF THE REGULAR MEETING HELD OCTOBER 9, 2025**
- 4. MINUTES OF THE REGULAR MEETING HELD NOVEMBER 13, 2025**
- 5. 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**
- 6. GENERAL MANAGER'S REPORT**

7. **FINANCE REPORT**
  - a) Demand Register
  - b) Delinquent Tenant
8. **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.
9. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE FOURTH AMENDMENT OF SERVICE AGREEMENT BETWEEN THE DISTRICT AND RRM DESIGN GROUP FOR THE BUSINESS PARK SPECIFIC PLAN.**
10. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE THIRTIETH AMENDMENT OF LEASE AGREEMENT BETWEEN THE DISTRICT AND CJJ FARMING.**
11. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE OUTDOOR STORAGE LEASE BETWEEN THE DISTRICT AND HIGHCRAFT BUILDERS, INC.**
12. **PRESIDENT’S YEAR IN REVIEW.**
13. **CLOSED SESSION:**
  - a) Conference with Real Property Negotiators: APN: 111-231-009. Agency negotiators: General Manager and District Counsel. Negotiating parties: Vertical Bridge. Under Negotiation: Terms of lease (Gov. Code Section 54956.8).
  - b) Conference with Real Property Negotiators: 4000 S. Blosser Road, Space 83, Santa Maria, CA 93455. Agency negotiators: General Manager and District Counsel. Negotiating parties: Jonathan T. Trevillyan. Under Negotiation: Notice of Lien Sale (Gov. Code Section 54956.8).
  - c) Conference with Real Property Negotiators: 3249 Terminal Drive, Suite #104, Santa Maria, CA 93455. Agency negotiators: General Manager and District Counsel. Negotiating parties: SkyWest Airlines. Under Negotiation: Terms of contract (Gov. Code Section 54956.8).
14. **DIRECTORS’ COMMENTS.**
15. **ADJOURNMENT.**



**2026 SMPAD BOARD OF DIRECTORS  
COMMITTEE AND LIAISON APPOINTMENTS**

**EXECUTIVE**

Directors &

**ADMINISTRATION & FINANCIAL**

Directors &

**SAFETY & SECURITY**

Directors &

**REAL ESTATE**

Directors &

**AIRPORT PLANNING & CAPITAL IMPROVEMENT**

Directors &

**GOVERNMENT AFFAIRS**

Directors &

**MARKETING & PROMOTION**

Directors &

**GENERAL AVIATION**

Directors &

MINUTES OF THE REGULAR BOARD  
MEETING OF THE BOARD OF DIRECTORS  
OF THE SANTA MARIA PUBLIC AIRPORT  
DISTRICT HELD OCTOBER 9, 2025

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

1. MINUTES OF THE REGULAR MEETING HELD September 25, 2025. Director Brown made a Motion to approve the minutes of the regular meeting held September 25, 2025. Director Clayton Seconded, and it was carried by a 3-0 vote.
2. 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 the restaurant lease.
  - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT– The committee met to discuss future projects.
  - f) GOVERNMENT AFFAIRS – No meeting scheduled.
  - g) MARKETING & PROMOTIONS – No meeting scheduled.
  - h) GENERAL AVIATION – No meeting scheduled.
3. GENERAL MANAGER’S REPORT: General Manager Pehl provided updates on the Runway Rehabilitation Project, U.S. Customs, the Solar Project, and the ongoing Rent and Fee Study. He also reported attending several meetings, including discussions regarding the upcoming Airport Capital Improvement Plan (ACIP), which will include Taxiway “A” and a project to improve the District-owned hangar area utilizing the remaining BIL funding before it expires. Additionally, Mr. Pehl attended his first REACH Council meeting.
4. The General Manager presented the Demand Register to the Board for review and approval.
  - a) Demand Register. The Demand Register, covering warrants 074056 through 074133 in the amount of \$254,518.51, was recommended for approval as presented. Director Brown made a Motion to accept the Demand Register as presented. Director Clayton Seconded, and it was carried by a 3-0 vote.
5. PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board has established a three-minute time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.

No one requested to speak.

6. Authorization for one staff member to attend the 2026 Allegiant Airport Conference to be held March 31 – April 2, 2026, in Las Vegas, NV. Director Brown made a Motion to approve. Director Clayton Seconded, and it was carried by a 3-0 vote.
7. Authorization for the President to execute the Agreement between the District and Richards, Watson & Gershon, Law for Legal Services. Director Brown made a Motion to approve. Director Clayton Seconded, and it was carried by a 3-0 vote.
8. Authorization for the President to execute the Settlement Agreement and Release between the District, the County of Santa Barbara, The City of Santa Maria, and the California Regional Water Quality Control Board. Director Clayton made a Motion to approve. Director Brown Seconded, and it was carried by a 3-0 vote.
9. Resolution 952. A Resolution of the Board of Directors of the Santa Maria Public Airport District expressing appreciation to Adamski, Moroski, Madden, Cumberland, and Green, LLP for service as District Counsel of the Santa Maria Public Airport District. This item was tabled.
10. Directors' Comments. Director Clayton stated the District is heading in the right direction. The upcoming Airshow is a monumental event for the community. He believes the airport is growing and thanked staff for their efforts to make that happen.

Director Brown is looking forward to the inaugural flight on American and having that available for the community. He continued to urge people to use the new service.

Director Adams notified the Board that he would be out of town for the next 30 days.

11. Adjournment: Vice President Adams asked for a Motion to adjourn to a Regular Meeting to be held on October 23, 2025, at the regular meeting place. Director Brown made that Motion, Director Clayton Seconded, and it was carried by a 3-0 vote.

#### ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 6:18 p.m. on October 9, 2025.

\_\_\_\_\_  
, President

\_\_\_\_\_  
, Secretary

MINUTES OF THE REGULAR BOARD  
MEETING OF THE BOARD OF DIRECTORS  
OF THE SANTA MARIA PUBLIC AIRPORT  
DISTRICT HELD NOVEMBER 13, 2025

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

1. MINUTES OF THE REGULAR MEETING HELD October 9, 2025. Director Clayton made a Motion to approve the minutes of the regular meeting held October 9, 2025. Directors Moreno and Guy abstained from the vote. The item will be brought back to the next meeting.
2. MINUTES OF THE REGULAR MEETING HELD October 23, 2025. Director Guy made a Motion to approve the minutes of the regular meeting held October 23, 2025. Director Clayton Seconded, and it was carried by a 3-0 vote.
3. COMMITTEE REPORT(S):
  - a) EXECUTIVE – The committee met to set the agenda.
  - b) ADMINISTRATION & FINANCIAL – The committee met twice to discuss the status of the new American Airlines service and marketing efforts.
  - c) SAFETY & SECURITY – No meeting scheduled.
  - d) REAL ESTATE – The committee met to discuss the specific plan.
  - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT– No meeting scheduled.
  - f) GOVERNMENT AFFAIRS – No meeting scheduled.
  - g) MARKETING & PROMOTIONS – No meeting scheduled.
  - h) GENERAL AVIATION – No meeting scheduled.
4. GENERAL MANAGER’S REPORT: General Manager Pehl reported that he met with the FAA to discuss the Airport Capital Improvement Program. He provided updates on the Runway Rehabilitation, Customs, and Solar projects, as well as the ongoing Rent and Fee Study. He informed the Board of an upcoming REACH roundtable scheduled for November 14<sup>th</sup>, and an EconAlliance Tourism Luncheon, noting that Director Guy will attend both events.

Director Clayton inquired about the current marketing efforts for the new American Airlines service, and General Manager Pehl and Director Guy provided an update.
5. The General Manager presented the Demand Register to the Board for review and approval.
  - a) Demand Register. The Demand Register, covering warrants 074163 through 074220 in the amount of \$3,978,335.74, was recommended for approval as presented. Director Moreno made a Motion to accept the Demand Register as presented. Director Clayton Seconded, and it was carried by a 3-0 vote.

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 has established a three-minute time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.

No one requested to speak.

7. Presentation by Erik Justesen, RRM Design Group, discussing the status of the Santa Maria Public Airport District Business Park Specific Plan.
8. Authorization for the President and Secretary to execute the Fourth Amendment of Service Agreement between the District and RRM Design Group for the Business Park Specific Plan. This item was tabled until the full Board can discuss at the next meeting.
9. Authorization for the President and Secretary to execute the Eighteenth Amendment of Service Agreement between the District and Raymond Heath. Director Moreno made a Motion to approve. Director Clayton Seconded, and it was carried by a 3-0 vote.
10. Authorization for the President and Secretary to execute the Outdoor Storage Lease Agreement between the District and The Sum of My Arts, LLC. Director Clayton made a Motion to approve. Director Guy Seconded, and it was carried by a 3-0 vote.
11. Authorization for the President and Secretary to execute the Thirtieth Amendment of Lease Agreement between the District and CJJ Farming. This item was tabled until the next meeting.
12. Authorization for the President to nominate one LAFCO Regular Special District Member. Director Clayton made a Motion to nominate President Moreno. Director Guy Seconded, and it was carried by a 3-0 vote.

RECESS: At 7:07 p.m.

Return to OPEN SESSION: At 7:12 p.m. The Board and staff reconvened to Open Session.

13. Closed Session. At 7:12 p.m. the Board went into Closed Session to discuss the following item(s):
- a) Conference with Legal Counsel pursuant to Government Code Section 54956.9(d)(2) Significant exposure to litigation One (1) potential case Government claim dated 11/4/2025 filed by Lee Hilton.

At 7:20 p.m., the Board and staff reconvened to Open Public Session.

There was one reportable action.

Item 10(a): The Board voted unanimously to deny the claim dated 11/4/2025 filed by Lee Hilton.

14. Directors' Comments. Director Clayton reflected on Veterans Day, noting that he celebrated with approximately 2,000 veterans and spoke with each of them about the new American Airlines service. He also commented on the exciting prospect of the business park reaching completion.

Director Guy stated that he has been asked by REACH to speak to their group about the new American Airlines service. He noted that he has also been invited to speak at other events and continues to do whatever he can in the community to promote the service. He thanked Director Clayton for all he does for veterans.

Director Moreno urged everyone to fly local.

15. Adjournment: President Moreno asked for a Motion to adjourn to a Regular Meeting to be held on December 11, 2025, at the regular meeting place. Director Clayton made that Motion, Director Guy Seconded, and it was carried by a 3-0 vote.

#### ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 7:25 p.m. on November 13, 2025.

\_\_\_\_\_  
, President

\_\_\_\_\_  
, Secretary



**2025-2026**

**DEMAND REGISTER  
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 074221 to 074300 and electronic payments on Pacific Premier Bank and in the total amount of \$975,091.20.

\_\_\_\_\_  
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 074221 to 074300 and electronic payments on Pacific Premier Bank in the total amount of \$975,091.20 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.

\_\_\_\_\_  
KATYA HAUSSLER  
ACCOUNTING CLERK

\_\_\_\_\_  
DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF DECEMBER 11, 2025.

\_\_\_\_\_  
STEVE BROWN  
SECRETARY

**Santa Maria Public Airport District**

**Demand Register**

Check Number	Check Date	Vendor Name	Check Amount	Description
	73827	VOID		
	73915	VOID		
* 74221	11/20/2025	Adams, Chuck	\$400.00	Director's Fees
* 74222	11/20/2025	ADV Aviation, LLC	\$319.00	Tenant Refund
* 74223	11/20/2025	Advantage Answering Plus	\$747.17	Answering Service
* 74224	11/20/2025	American Industrial Supply	\$75.84	Weed/Wildlife Maintenance
* 74225	11/20/2025	AT&T	\$101.94	Telephone Service
* 74226	11/20/2025	Bartlett, Pringle & Wolf	\$10,433.47	Acumatica Annual Subscription
* 74227	11/20/2025	Bomar Security & Investigation	\$5,536.00	Security Service
* 74228	11/20/2025	Brown, Steve	\$600.00	Director's Fees
* 74229	11/20/2025	C.J. Brown & Company, CPAs	\$13,269.00	Annual Audit
* 74230	11/20/2025	Comcast	\$1,405.08	Cable/Internet/Digital Voice
* 74231	11/20/2025	Comcast Business	\$2,216.59	Internet Service
* 74232	11/20/2025	Consolidated Electrical Distributors, Inc.	\$35.07	Shop Supplies
* 74233	11/20/2025	Costco Wholesale Membership	\$130.00	Annual Costco Membership x 2
* 74234	11/20/2025	Digital West	\$950.65	Network Services - Terminal
* 74235	11/20/2025	GGM Transport, LLC	\$58.00	Tenant Refund
* 74236	11/20/2025	Grainger	\$1,057.31	Terminal Maintenance
* 74237	11/20/2025	Gsolutionz, Inc.	\$406.87	Voice Services - November 2025
* 74238	11/20/2025	Guy, Anthony Ted	\$400.00	Director's Fees
* 74239	11/20/2025	J B Dewar, Inc	\$232.15	Unleaded/Diesel Fuel
* 74240	11/20/2025	Jack's All American Plumbing	\$4,354.26	Hangar Sewer Line Repair
* 74241	11/20/2025	JD Humann Landscaping, Inc	\$5,291.58	Terminal Landscaping
* 74242	11/20/2025	Limotta Internet Technologies	\$1,872.00	Firewall Service
* 74243	11/20/2025	LSC Communications	\$42.55	FAA Publications
* 74244	11/20/2025	Mission Linen Service	\$315.24	Uniform Service
* 74245	11/20/2025	Moreno, Ignacio	\$300.00	Director's Fees
* 74246	11/20/2025	Napa Auto Parts	\$70.30	Vehicle Maintenance
* 74247	11/20/2025	PrintMasters & Bob's Rubber Stamps	\$97.85	Name Plates - C. Steele, C. O'Sullivan
* 74248	11/20/2025	S Lombardi & Assoc., Inc.	\$9,240.00	Airport Advertising
* 74249	11/20/2025	San Luis Powerhouse	\$2,792.60	Annual Service of Emergency Generator
* 74250	11/20/2025	Smith's Alarms & Electronics Inc.	\$630.00	Electronic Security System
* 74251	11/20/2025	Sousa Tire Service, LLC	\$28.46	Vehicle Maintenance
* 74252	11/20/2025	State Water Resources Control Board	\$109.41	State Cleanup Program 7/1 - 9/30/25
* 74253	11/20/2025	Tower Patrol	\$3,257.06	D3 Security Trailer w/Solar Panel
* 74254	11/20/2025	Tri-Counties Plant Service	\$275.00	Interior Plant Service - Terminal
* 74255	11/20/2025	VTC Enterprises	\$84.00	Trash - Paper Recycling
* 74256	12/4/2025	Adams, Chuck	\$100.00	Director's Fees
* 74257	12/4/2025	Adamski Moroski	\$3,187.50	Legal Counsel Services
* 74258	12/4/2025	ADB SAFEGATE Americas LLC	\$1,072.12	Signs - Landing Area
* 74259	12/4/2025	Advance Media New York	\$30,942.27	Airport Advertising
* 74260	12/4/2025	Advantage Answering Plus	\$683.35	Answering Service

**Santa Maria Public Airport District**

**Demand Register**

Check Number	Check Date	Vendor Name	Check Amount	Description
* 74261	12/4/2025	Airflow Filter Service, Inc.	\$593.81	Vehicle Maintenance
* 74262	12/4/2025	American Assn of Airport Exec	\$3,000.00	2025 U.S. Contract Tower Assoc. Membership
* 74263	12/4/2025	American Industrial Supply	\$76.07	Terminal Pavement Maintenance
* 74264	12/4/2025	AT&T	\$135.91	Telephone Service
* 74265	12/4/2025	Aviation Management Consulting Group	\$4,775.00	Rent Study/Fee Study
* 74266	12/4/2025	Blueglobes, LLC	\$602.23	Lighting Maintenance - Landing Area
* 74267	12/4/2025	Bomar Security & Investigation	\$9,608.30	Security Service
* 74268	12/4/2025	CA Department of Tax and Fee Administration	\$432.80	Water Rights 7/1/25 - 6/30/26
* 74269	12/4/2025	Capital Industrial Medical Supply Company	\$123.73	First Aid
* 74270	12/4/2025	City of Guadalupe	\$74,146.92	Security Service - Sept/Oct 2025
* 74271	12/4/2025	City of Santa Maria	\$447.00	Construction Meter Fees
* 74272	12/4/2025	City of Santa Maria-Util Div	\$5,587.74	Utilities - Water
* 74273	12/4/2025	Coast Networx	\$210.00	Network Support Services
* 74274	12/4/2025	Consolidated Electrical Distributors, Inc.	\$310.51	Lighting Maintenance
* 74275	12/4/2025	Fenton, Kerry	\$1,415.70	Travel Reimbursement
* 74276	12/4/2025	Grainger	\$614.40	Shop Supplies/Hangar Maintenance
* 74277	12/4/2025	Granite Construction	\$357,094.50	Rehabilitate Runway 12-30
* 74278	12/4/2025	Groveman Hiete LLP	\$8,292.25	Environmental Consulting
* 74279	12/4/2025	Gsolutionz, Inc.	\$91.70	GPS Cloud Services - Phones
* 74280	12/4/2025	Guy, Anthony Ted	\$200.00	Director's Fees
* 74281	12/4/2025	Hayward Lumber Company	\$160.99	Terminal Maintenance
* 74282	12/4/2025	Heath, Ray	\$3,575.20	Consulting Services - Contingencies
* 74283	12/4/2025	HERC RENTALS	\$534.64	Pavement Maintenance - Landing Area
* 74284	12/4/2025	Home Depot	\$948.41	Payment for V000178
* 74285	12/4/2025	HR Your Way, Inc.	\$1,281.83	Recruitment Services
* 74286	12/4/2025	J B Dewar, Inc	\$957.47	Unleaded/Diesel Fuel
* 74287	12/4/2025	MarTeeny Designs	\$550.00	Website Maintenance
* 74288	12/4/2025	Mead & Hunt, Inc.	\$10,973.85	Airport Consulting Service
* 74289	12/4/2025	Mission Linen Service	\$315.24	Uniform Service
* 74290	12/4/2025	Moreno, Ignacio	\$300.00	Director's Fees
* 74291	12/4/2025	Oberon3, Inc	\$50.00	Terminal Maintenance
* 74292	12/4/2025	PAPE KENWORTH	\$1,319.46	Vehicle Maintenance
* 74293	12/4/2025	Quinn Company	\$1,537.15	Pavement Maintenance/Water Truck Rental
* 74294	12/4/2025	RB Clean & Sweep	\$500.00	Street Sweeping
* 74295	12/4/2025	RRM Design Group	\$5,520.00	SMX Business Park Specific Plan Amendment
* 74296	12/4/2025	Service Star	\$13,574.61	Janitorial Service
* 74297	12/4/2025	SM Valley Chamber of Commerce	\$48,510.00	Economic Development Services, FY26
* 74298	12/4/2025	Sterling Communications	\$36.85	Vehicle Maintenance
* 74299	12/4/2025	Tartaglia Engineering	\$77,152.50	Rehabilitate Runway 12-30
* 74300	12/5/2025	County of Santa Barbara	\$75,000.00	SEMCO

**Santa Maria Public Airport District**

**Demand Register**

Check Number	Check Date	Vendor Name	Check Amount	Description
		Subtotal	<u>\$813,676.46</u>	
ACH	11/14/2025	The Gas Company	\$377.00	Utilities - Gas
ACH	11/17/2025	De Lage Landen	\$83.74	Copier
ACH	11/17/2025	Frontier	\$1,167.38	Telephone Service
ACH	11/18/2025	PG&E	\$2,719.02	Terminal/Admin/Hangar Electricity
ACH	11/18/2025	CalPers	\$6,740.10	Employee Retirement
ACH	11/19/2025	Frontier	\$952.69	Telephone Service
ACH	11/20/2025	Paychex	\$28,570.55	Payroll
ACH	11/20/2025	Paychex	\$7,965.55	Payroll Taxes
ACH	11/21/2025	Paychex	\$199.44	Paychex Invoice
ACH	11/21/2025	Frontier	\$343.54	Telephone Service
ACH	11/21/2025	Aflac	\$204.24	Employee Voluntary Insurance
ACH	11/24/2025	Empower Retirement	\$4,847.26	Employee Paid Retirement
ACH	11/25/2025	Ultrex	\$12.07	Equipment Lease - Usage Charge
ACH	11/26/2025	Umpqua Bank	\$11,556.52	Airport Advertising/Office Equipment
ACH	12/2/2025	Principal	\$2,652.62	Employee Life/Dental/Disability Insurance
ACH	12/2/2025	CalPers	\$6,751.83	Employee Retirement
ACH	12/2/2025	CalPers	\$19,239.83	Unfunded Liability
ACH	12/3/2025	Amazon Capital Services	\$1,807.18	Terminal Maintenance, Office Equipment
ACH	12/3/2025	Ready Refresh	\$130.31	Water Delivery
ACH	12/4/2025	Paychex	\$8,515.59	Payroll Taxes
ACH	12/4/2025	Paychex	\$28,669.27	Payroll
ACH	12/5/2025	Paychex	\$199.44	Paychex Invoice
ACH	12/5/2025	Empower Retirement	\$4,847.26	Employee Paid Retirement
ACH	12/9/2025	PG&E	\$22,862.31	Terminal/Admin/Hangar Electricity
		Subtotal	<u>\$161,414.74</u>	
		Total	<u><u>\$975,091.20</u></u>	



## DELINQUENT TENANT LIST

As of December, 2025

MONTH	NAME	HANGAR	RENT	LATE FEES	DAYS DELINQUENT
Dec-25	ArtCraft Paint, Inc.	Electricity	\$8,900.58	\$0.00	23-53
Dec-25	Gamble, William	3019-L	\$412.00	\$0.00	10
Dec-25	Ameriflight, LLC	Ramp Fees	\$556.00	\$27.00	30
Dec-25	Ward, James	3027-B	\$424.00		10
Dec-25	Verizon-GTE	Union Valley Parkway	\$2,300.00		10
			TOTAL:	\$12,619.58	

**FOURTH AMENDMENT OF SERVICE AGREEMENT  
FOR CONSULTING SERVICES FOR THE  
AIRPORT BUSINESS PARK SPECIFIC PLAN**

RE: By this Agreement, dated August 26, 2021, between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and RRM Design Group, a California Corporation (herein called "Consultant"), District retains Consultant to perform certain Land Planning Services.

The SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and RRM DESIGN GROUP, ("Consultant"), agree to amend the Agreement effective November 13, 2025, as follows:

- 1. TIME OF PERFORMANCE.** The time to complete the services is extended from December 31, 2025 to December 31, 2027.
- 2. COMPENSATION.** The District shall amend the compensation to Consultant in the amount of \$85,000 for additional services listed in Exhibit "A" attached hereto, and the not-to-exceed amount in Section 3 of the Agreement shall be increased to \$457,210.00.

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

Dated: **December 11, 2025**

DISTRICT:

Approved as to content for  
District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
, President

Approved as to form for District

\_\_\_\_\_  
, Secretary

\_\_\_\_\_  
District Counsel

CONSULTANT:

\_\_\_\_\_  
Erik Justesen, Principal

# EXHIBIT 'A'



## Additional Service Authorization

<b>Date:</b> October 30, 2025	
<b>Client:</b> Santa Maria Public Airport District	<b>Task ID Numbers:</b> X.4
<b>Project Name:</b> Santa Maria Airport Business Park Specific Plan Amendment	<b>Project Number:</b> 2123-02-CU21

### Description of Work to be Performed

RRM Design Group, a California Corporation ("RRM Design Group"), has entered into an agreement with the Santa Maria Public Airport District (the "District") dated August 26, 2021 (the "Prime Agreement") for the project: Airport Business Park Specific Plan (the "Project"). Additional Services Authorized by the Client are subject to the Terms and Conditions of the Prime Agreement.

On February 13, 2025, a Second Amendment of the Prime Agreement was approved for additional specific plan work including a subcontract with the Natleson Dale Group to prepare the funding and financing chapter. On March 27, 2025, a Third Amendment of the Prime Agreement was approved for costs to prepare and process a parcel map to create a separate parcel along Foxenwood Lane at Foster Road.

The current Additional Service Authorization includes a request for budget to cover the ongoing processing of the Specific Plan document with the City of Santa Maria (City). A key goal of the updated document is to provide objective design standards to guide developers and provide for the streamlining of future projects through a City staff review rather than requiring all projects to be reviewed by the City Planning Commission. Work will be billed on a time and materials basis to allow the project budget to manage unexpected rounds of City review or other requests not currently anticipated without the need for a new Additional Service Authorization.

### Task X.4: Processing Specific Plan

This task includes the following services:

- Editing of the Specific Plan in response to City staff comments and additional plan details requested by City
- Coordination with City staff on the review and processing of the Specific Plan
- Assistance and coordination with the required CEQA review
- Attending meetings with staff and public hearings



**Santa Maria Airport Business Park Specific Plan Amendment  
Additional Service Authorization**

October 30, 2025

Page 2 of 2

**Deliverables:**

- Updated Specific Plan document

**Estimated Fee: Time and Materials – Hourly**

- \$85,000 (see footnote)

**Fee Footnote**

Amounts billed for tasks shown as “Time and Materials” (T&M) will reflect actual hours worked. RRM will check in with Client when estimates are being reached. RRM assumes the remaining \$12,610 in the current contract budget will be transferred to this task to augment the budget.

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*Any work outside the scope of the original agreement between RRM Design Group and the Client, and authorized by the Client, is subject to the Terms and Conditions of the Prime Agreement.*

**Authorization to Proceed by Client Representative:**

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**Sign**

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**Date**

---

**Print Name, Title**

djp\\EgnyteDrive\on-site\2000\2123-02-CU21-Santa-Maria-Airport-Bus-Park-Spec-Plan-Amend\Project-Management\Contracts\Addendums\Fourth Amendment\ASA-Task-pr-10.28.25.docx





### THIRTIETH AMENDMENT OF LEASE

Re: Land Lease (Farming) dated April 13, 2000, commencing retroactively on April 1, 2000 between SANTA MARIA PUBLIC AIRPORT DISTRICT and CJJ FARMING, a California corporation, covering land at the Santa Maria Public Airport, as amended and extended ("Lease")

The undersigned, SANTA MARIA PUBLIC AIRPORT DISTRICT, ("District") and C.J.J. FARMING, INC., a California corporation ("Tenant") do hereby agree to amend the above-referenced Lease effective immediately, as follows:

1. Extension of Term. District grants a one (1) year extension of the Lease commencing January 1, 2026, and expiring December 31, 2026, for Exhibit B, unless sooner terminated. Tenant acknowledges that District does not intend to extend the Lease for Exhibit B upon after December 31, 2026.
2. Rent. Effective January 1, 2026, rent under this Lease is increased to a rate of \$2,535.75 per acre, per year. No water is included in the rent, and District shall have no obligation to provide water to the Premises. For Exhibit A, rent shall be \$65,730.87 per month, based upon approximately 311.06 acres of land. For Exhibit B, rent shall be \$5,599.78 per month, based on approximately 26.50 acres of land. The total monthly rent will be \$71,330.65.

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

Dated: December 11, 2025

*Approved as to content for District:*

**SANTA MARIA PUBLIC AIRPORT  
DISTRICT ("DISTRICT")**

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
, President

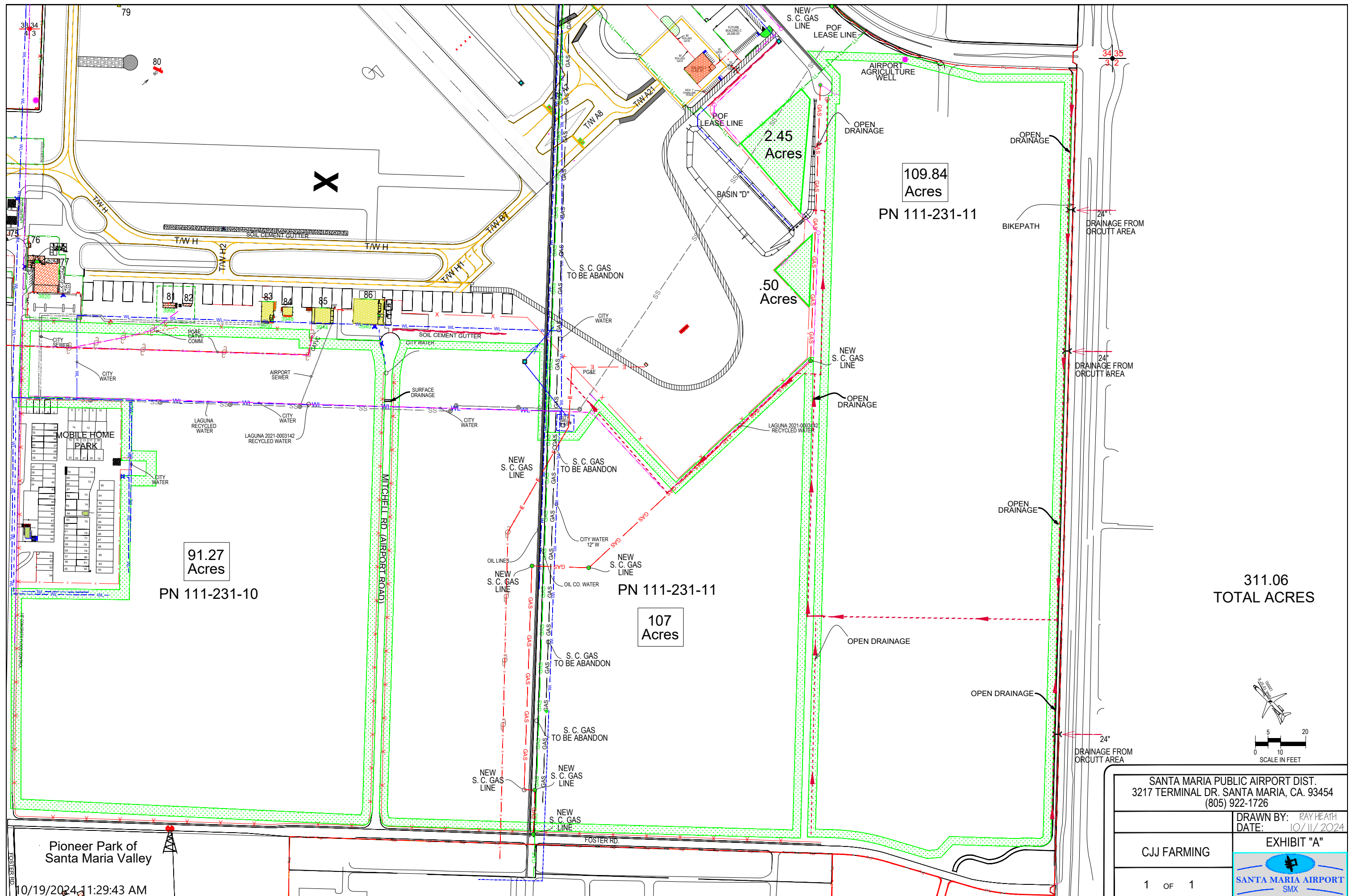
*Approved as to form for District:*

\_\_\_\_\_  
, Secretary

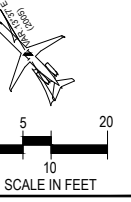
\_\_\_\_\_  
District Counsel


**C.J.J. FARMING, INC., a California  
Corporation ("TENANT")**

\_\_\_\_\_  
Juan Cisneros, General Manager

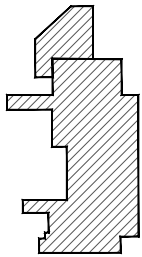


311.06  
TOTAL ACRES



SANTA MARIA PUBLIC AIRPORT DIST. 3217 TERMINAL DR. SANTA MARIA, CA. 93454 (805) 922-1726	
CJJ FARMING	DRAWN BY: RAY HEATH DATE: 10/11/2024
1 OF 1	EXHIBIT "A" 

FOSTER RD.



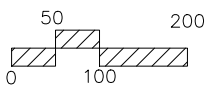
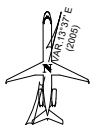
13.52 AC.

12.98 AC.

FOXENWOOD LANE

ORCUTT RD AIRPORT BOUNDARY

UNION VALLEY PKY.



SCALE IN FEET

SANTA MARIA PUBLIC AIRPORT DIST. 3217 TERMINAL DR. SANTA MARIA, CA. 93454 (805) 922-1726	
CJJ FARMING	DRAWN BY: RAY HEATH DATE: 4/15/2024 EXHIBIT "B"
2 OF 2	

## OUTSIDE STORAGE LEASE

THIS LEASE, dated **December 11, 2025**, is made and executed by and between SANTA MARIA PUBLIC AIRPORT DISTRICT, a Public Airport District of the State of California (herein called "District") and **HighCraft Builders, Inc., a California Corporation** (herein called "Lessee").

1. Leased Premises. District hereby leases to Lessee, and Lessee leases from District, for the term and rents, and upon the terms, conditions and covenants contained herein, the unimproved real property at the Santa Maria Public Airport (the "Airport") in Santa Maria, California, consisting of approximately 1,250 square feet within Assessor's Parcel No. 111-230-93, generally located on the ramp immediately west of Blosser Road and between Citation Court to the north and the perimeter road to the south, as shown cross-hatched on the plot plan marked Exhibit "A" attached hereto and made a part hereof (herein referred to as the "Premises" or "Leased Premises") subject to all existing and future easements, rights, encumbrances, rights-of-way, and matters of record.

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

2. Lease Term. The term of this Lease shall be month-to-month and shall begin on December 12, 2025, regardless of when signed.

3. Rent.

a. Monthly Rent. Beginning December 12, 2025, and at all times during the term of this Lease, Lessee shall pay monthly rent to District at the per-square-foot rate then in effect for Outside Storage as approved by the District Board of Directors as the same may be amended from time to time at the sole discretion of the District. As of the date of this lease, per-square-foot rent for Outside Storage is \$0.353 per square foot. The amount due is \$441.25 on or before the 10<sup>th</sup> of the month.

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

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

d. Additional Rent. The rent shall be absolutely net to District. Lessee shall pay all costs, fees, taxes, liens, interest, insurance, charges, expenses, assessments, reimbursements, maintenance and obligations of every kind and nature whatsoever relating to the Leased Premises or the improvements to be constructed thereon that may arise or become due during the term or any extended term of, or arising out of the provisions of, this lease ("Additional Rent"). Lessee shall indemnify and save District harmless from and against Additional Rent. Should Lessee fail to pay any Additional Rent when due, District shall have all of the rights, powers and remedies provided for in this lease in the event of nonpayment of rent or other event of default. District shall at all times have the right (at its sole election and without any obligation to do so) to advance on behalf of Lessee any amount payable under the terms hereof by Lessee, or to otherwise satisfy any of Lessee's obligations hereunder deemed necessary to protect the interests of District under this lease. No advance by District shall operate, as a waiver of any of District's rights under this lease and Lessee shall remain fully responsible for the performance of its obligations under this lease. Any sums so paid by District shall constitute Additional Rent and shall be immediately due and payable from Lessee. Lessee shall reimburse District for all sums paid by District under this paragraph, together with all of District's reasonable attorneys' fees and costs, plus interest on all sums expended at the rate of ten percent (10%) per annum from the date paid by District to the date paid by Lessee.

4. Compliance with Laws. Lessee shall secure and maintain in force during the term of this Lease all licenses and permits necessary or required by law for the conduct of Lessee's operations. Lessee shall abide by and comply with, at Lessee's sole cost and expense, all applicable and valid laws, ordinances, statutes, rules, regulations and orders of federal, state and local governments and governmental agencies, including, but not limited to, any and all regulations concerning hazardous or toxic materials air and/or water quality, fire and/or occupational safety, and accessibility, which may apply to the conduct of Lessee's operations on the Premises, at Lessee's sole cost and expense.

Lessee shall observe, obey, abide by and pay all costs of compliance with any and all rules, regulations and operating procedures now in force or hereafter adopted by District with respect to the operation of the Airport.

Lessee agrees and understands that the rules, regulations, and operating procedures of the District shall be subject to change and/or additions from time to time, as determined by District.

5. Permitted Uses of Premises and Lessee Obligation. Lessee shall use the Premises only for storage of equipment and client contents, which may include shipping containers, vehicles, equipment, and other contents which do not otherwise violate the terms of this Agreement and applicable District policy. Lessee agrees to maintain a safety buffer of at least three (3) feet along the full perimeter of the Premises (which shall be measured from the fence line, if available), which Lessee shall keep completely clear of any equipment, vehicles, or other contents, whether or not such property belongs to Lessee.

Lessee shall not use the Premises or any portion thereof for any other purpose, without the prior written approval of District. Lessee shall use the Leased Premises and the Improvements only for this purpose or other uses approved in writing by District. In the event of

any unapproved use, District may, at its option, immediately terminate this Lease. Nothing contained herein shall be deemed to give Lessee exclusive rights at the Airport in connection with any of the permitted uses herein.

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

a. Any use not specifically authorized by or incidental to the uses permitted by Paragraph 5 of the Lease.

b. Use any portion of the Premises contrary to or in violation of this lease or of directives, rules or regulations of the District, as they exist now or in the future, or of any governmental entity or agency having jurisdiction.

c. Storage of fuel on the Premises other than inside fuel tanks of vehicles parked on the Premises.

d. Store on the Premises any property or articles or conduct any activities or operations which are not directly related or incident to the permitted uses in Paragraph 5 of this Lease or store any property other than vehicles or trailers outside any building.

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

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

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

h. Locate, erect, or construct any structure, improvement or allow a tree in excess of 20 feet above ground level in height (or 284 feet above mean sea level) unless such tree, structure or improvement does not penetrate any FAR Part 77 imaginary surface associated with the Airport.

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

j. Any business or use which is in violation of any applicable zoning ordinances or other laws.

k. Locate, erect or construct or permit the location, erection or construction of any object or structure without specific prior written approval of District.

l. Store any flammable or inflammable liquids, substances, and explosives, hazardous or toxic materials other than fuels inside vehicle fuel tanks.

m. Any use, activity or improvement which will interfere with or may otherwise affect safe air navigation or create a hazard to aeronautical activities or to the operation of the Airport.

n. Sale of gasoline, aviation, jet, or other fuels.

o. Use any paint stripping or aircraft finish removal process

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

q. Place any storage item within 3 feet of the fence. This 3-foot clear zone is depicted in Exhibit "A" attached herein.

7. Security. District shall have no obligation to provide additional security that is greater than the normal operations of the Airport or to provide lighting for the Premises.

8. Maintenance.

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

If Lessee fails to maintain or make repairs or corrections as required herein, which includes but is not limited to storage of personal or other property outside of the boundaries of the Leased Premises or failure to comply with the requirements in Section 6 Specific Prohibited Uses, District shall have the option, but not the obligation, of making necessary repairs or corrections after a reasonable written notice from District of its intent to do so. For purposes of this provision, a reasonable period for notice is understood to be five (5) business days, unless an emergency condition exists in which case the District may make such necessary repairs or corrections immediately. All costs incurred by District in making said repairs or corrections, including but not limited to the cost of labor, materials, equipment and administration, shall be Additional Rent, and Lessee shall pay the same immediately upon receipt of a statement of District's costs. District may, at its option, choose other remedies available herein as allowed by law.

Nothing in this section defining the duty of maintenance shall be construed as limiting any right given elsewhere in this Lease to alter, modify, demolish, remove, or replace any improvement, or limiting provisions relating to condemnation or to damage or destruction during

the final years of the lease term. No deprivation, impairment or limitation of use resulting from any event or work contemplated by this section shall entitle Lessee to any offset, abatement, or reduction in rent nor to any termination or extension of the leased term.

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

9. Utilities. District shall have no responsibility to provide utility service or extensions of any kind to the Premises, and any such utility service or extension by Lessee shall be at Lessee's sole cost and expense after consent by District as provided in Paragraph 15 herein.

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

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

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

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

All personal property stored within or upon the storage space by Occupant shall be at Lessee's sole risk. Lessor shall not be liable for any loss of or damage to any personal property in the Leased Premises arising from any cause whatsoever including, but not limited to, burglary,



mysterious disappearance, fire, water damage, rodents, Acts of God, the active or passive acts or omissions or negligence of Lessor or Lessor's agents or employees, except for any claims judicially determined to have arisen solely from the gross negligence or willful misconduct of Lessor.

Lessor and Lessor's agents and employees shall not be liable to Lessee for injury or death as a result of Lessee's use of the Leased Premises even if such injury is caused by the active or passive acts or omissions or negligence of the Lessor or Lessor's agents or employees, except for any claims judicially determined to have arisen solely from the gross negligence or willful misconduct of Lessor.

13. Indemnity. Lessee shall investigate, protect, defend (with counsel acceptable to District) indemnify and hold harmless District, its directors, officers, employees, agents and representatives, and the Leased Premises (collectively "District") at all times from and against any and all 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 Lessee or its officers, agents, employees, guests, customers, licensees or invitees; or Lessee's operations on, or use or occupancy of, the Premises or the Santa Maria Public Airport. The foregoing indemnification excludes only liability, damages or loss caused by the sole active negligence of District or its willful misconduct. Lessee shall also indemnify and hold District harmless from and against any Liability or Loss, including third party claims, for Environmental Requirements and Environmental Damages (as those terms are defined in Exhibit "B"), costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Leased Premises or the improvements thereon or District's property or improvements in the vicinity of the Leased Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal ("release, etc.") of any toxic materials or Hazardous Materials (as that term is defined in Exhibit "B") which occurs in, on or about the Leased Premises as the result of any of Lessee's or Lessee's agents, employees, invitees, licensees, guests, or Lessee's activities on the Leased Premises. Lessee shall notify District immediately of any "release, etc." of any toxic or hazardous material on the Leased Premises.

14. Insurance. Lessee shall secure and maintain, without cost to District, in full force and effect at all times during the term of this lease, comprehensive general public liability insurance, including bodily injury and death liability insurance, property damage liability, completed operations and products liability coverage and contractual liability with a combined single limit of liability of at least One Million Dollars (\$1,000,000.00) for each accident or occurrence and with no more than a Three Thousand Dollars (\$3,000.00) deductible for each accident or occurrence.

District shall be named as an additional insured in each policy required herein without offset to any insurance policies of the District. All policies shall be issued by companies licensed to do business in California and having a Best's rating of "A". Lessee shall provide District with copies of all insurance certificates issued by the insurer, including in each instance an endorsement or certificate providing that such insurance shall not be canceled, or coverage reduced except after thirty (30) days' written notice to District and an endorsement insuring the

contractual liability assumed by Lessee in the Indemnity paragraph of this Lease. The coverage, form and liability limits of all insurance may be increased at the option of District's Board of Directors after giving Lessee at least ninety (90) days' prior written notice.

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

15. Alterations and Improvements. Except as expressly permitted herein, Lessee shall make no alterations, additions or improvements on the Premises or otherwise at the Airport without District's prior written consent. The District reserves the right to approve the architecture, design, color and exterior appearance of all improvements. All improvements must be approved by District prior to construction, except interior, non-structural alterations or improvements after construction of the initial facility. All improvements, equipment, trade fixtures and facilities installed by Lessee shall be installed and used in compliance with local, state and federal laws, ordinances, regulations and codes applicable thereto. All alterations, additions or improvements made by Lessee at the Airport shall be the property of Lessee during the term, but shall become District's property at expiration or termination, free of any liens or claims by Lessee or others, unless District advises Lessee in writing to remove any or all improvements within ninety (90) days after termination or expiration of this Lease. If so advised by District to remove other improvements, Lessee shall remove such improvements, at Lessee's expense, immediately thereafter. Lessee shall restore District's property to at least its former condition and repair any damage resulting from any removal. Lessee shall defend and indemnify District against any claims arising from District's exercise of rights conferred by this section.

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

17. Use of Hazardous Material. Lessee may not make any application of any pesticide, herbicide, rodenticide, fungicide or potentially hazardous material except under the direct supervision of a certified pest control operator, pest control applicator, or qualified applicator, whichever is appropriate to the material being applied and the process used to apply it. No hazardous material may be used on the Premises except by a person who is able to read and understand attached labels and precautions.

18. Federal Aviation Administration Rider Attached. The provisions of the FAA Rider attached hereto as Exhibit "C" is incorporated herein and made a part hereof.

19. Right of Entry. District, on its behalf and on behalf of authorized agents of District, County of Santa Barbara and City of Santa Maria, utility companies, and any public agencies having jurisdiction over the Premises or Lessee's operations reserve the right to enter the Premises between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, or at other times by mutual agreement, for the purpose of inspecting the same, or to make repairs or for any reasonable purpose, and at any time in case of an emergency.

20. Condemnation. In the event of any taking or damage of all or any part of the Premises or any interest therein by reason of any exercise of the power of eminent domain, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the Premises or any interest therein made in avoidance of an exercise of the power of eminent domain (all of the foregoing being hereinafter referred to as "appropriation") during the term of this lease, this lease shall terminate as of the date of such appropriation, the rental shall be prorated to the date of termination, and all sums, including damages and interest, awarded for the fee or leasehold, or both, shall be promptly distributed and disbursed in the following order of priority:

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

b. To Lessee, a sum equal to the value of Lessee's buildings and any improvements which are still owned by Lessee and which were placed on the Premises by Lessee and located thereon at the time of such taking or appropriation, less District's reversionary interest, plus compensation for the value of Lessee's trade fixtures, equipment and supplies taken or appropriated plus compensation for loss or damage to Lessee's business goodwill; and

c. To District, the balance of the award.

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

a. Filing by or against Lessee of a voluntary or involuntary petition in bankruptcy or for reorganization unless the bankruptcy is dismissed within ninety (90) days of filing), or taking of Lessee's assets pursuant to a proceedings under the Federal Reorganization Act, or the adjudication of Lessee as a bankrupt, or the appointment of a receiver of Lessee's assets, unless the receiver is removed within ninety (90) days of appointment, or divestiture of Lessee's assets or estate herein by operation of law or otherwise, or assignment by Lessee of its assets for the benefit of creditors.

b. The breach by Lessee or failure of Lessee to keep, observe or perform any of the covenants, conditions or provisions herein contained on the part of Lessee to be observed, kept or performed; provided, if Lessee fails to comply with any term, provision or covenant of this Lease, other than the payment of monthly rent or fuel flowage fees, District shall provide Lessee with a notice of default and give Lessee a ten (10) day period to cure the default. District may grant a longer period of time to cure such default as long as Lessee commences to cure the default within the ten (10) day period and diligently proceeds to cure the default thereafter.

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

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

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

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

a. Re-entry after Termination. To terminate this lease upon written notice to Lessee and re-enter the Leased Premises and eject some or all persons, or none, and remove all property, other than District's property, from the Leased Premises or any part of the Leased Premises. Any property removed from the Leased Premises upon re-entry by District under this paragraph may be stored in a public warehouse or elsewhere at the cost of and for the account of Lessee, and District shall have no liability therefore.

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

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

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

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

either or both collect these sums or bring action for the recovery of the sums directly from such obligors.

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

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

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

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

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

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

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

24. Assignment, Subletting and Encumbering. Lessee shall not assign, transfer, mortgage, encumber or grant control of this lease or any interest, right or privilege herein or sublet the whole or any portion of the Leased Premises. Any such assignment, mortgage, encumbrance, transfer or sublease shall be void and, at the option of District, shall terminate this lease.

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

in good repair and condition by Lessee. All signs must conform to applicable ordinances and regulations of the City of Santa Maria and approval of the District.

26. Notices. All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and to Lessee at 185 S. Broadway, Suite 101, Orcutt, CA 93455. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

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

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

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

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

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

32. Subordinate to Specified Matters. This Lease and Lessee's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights-of-way, and encumbrances affecting the Premises now of record or hereafter granted, caused or suffered by District.

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

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

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

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

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

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

39. Surrender and Site Assessment. Lessee agrees on the last day of term hereof or sooner termination to surrender to District forthwith the Premises in the same or better condition as when received, damage by acts of God or by the elements excepted. Within thirty (30) days of expiration or sooner termination of this Lease, Lessee shall, at Lessee's sole cost and expense, cause to be conducted a site assessment of the Premises to determine that the Premises are free of any hazardous material or contamination therefrom. The nature and extent of the site assessment and the selection of the person performing the site assessment and certification shall be approved by District, whose approval shall not be unreasonably withheld. The Premises shall be certified to be free of any hazardous material or contamination therefrom by a person certified by the appropriate governmental agency to conduct such site assessments. Any contamination or environmental damage on the Premises or originating on the Premises and migrating off the Premises shall be remediated by Lessee to meet or exceed the strictest governmental standards, requirements and to District's satisfaction. If, at the expiration or sooner termination of this Lease, different standards or requirements exist for properties with different uses, then Lessee shall remediate any contamination or environmental damage to the strictest standards and requirements for aviation and/or commercial use. Lessee shall be responsible for all remedial investigation and remediation, including submission and approval of the remediation closure plan. Lessee shall not be responsible for remediation of hazardous material or contamination occurring on adjacent property not leased to Lessee and migrating onto the Premises, unless Lessee is responsible for the hazardous material or contamination on the adjacent property.

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

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

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

**SANTA MARIA PUBLIC AIRPORT  
DISTRICT ("DISTRICT")**

By: \_\_\_\_\_  
                    , President

By: \_\_\_\_\_  
                    , Secretary

*Approved as to content for District:*

By: \_\_\_\_\_  
                    *General Manager*

*Approved as to form for District:*

By: \_\_\_\_\_  
                    *District Legal Counsel*

**HIGHCRAFT BUILDERS, INC.  
("LESSEE")**

By: \_\_\_\_\_

Printed: Tim Seifert



EXHIBIT "A"

DESCRIPTION OF LEASED PREMISES

(See Attached)



## EXHIBIT "B"

### DEFINITIONS

#### A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

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

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

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

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

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

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

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

(viii) without limitation radon gas.

#### B. ENVIRONMENTAL REQUIREMENTS

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

1. All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or

threatened releases of "Hazardous Materials", chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and

2. All requirements pertaining to the protection of the health and safety of employees or the public.

### C. ENVIRONMENTAL DAMAGES

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

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

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

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

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

EXHIBIT "C"

FAA RIDER

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued on Next Page)

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

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

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