



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

**Thursday
September 24, 2020**

**Virtual Meeting
Zoom Meeting [Zoom.us](https://zoom.us)
Meeting ID: [812 8065 1089](https://zoom.us/j/81280651089)
Meeting Password: 3217
7:00 P.M.**

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

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

- 1. MINUTES OF THE REGULAR MEETING HELD AUGUST 27, 2020.**
- 2. MINUTES OF THE SPECIAL MEETING HELD SEPTEMBER 16, 2020.**
- 3. COMMITTEE REPORT(S):**
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc)**
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc)**
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc)**
 - d) CITY & COUNTY LIAISON**
 - e) STATE & FEDERAL LIAISON**
 - f) VANDENBERG LIAISON**
 - g) BUSINESS PARK COMMITTEE (Ad Hoc)**
- 4. GENERAL MANAGER'S REPORT**
 - a) Monthly Activity Report**

5. MANAGER OF FINANCE & ADMINISTRATION REPORT

- a) Demand Register
- b) Budget to Actual
- c) Financial Statements

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

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

Please raise your hand in the following ways:

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

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

- 8. AUTHORIZATION FOR THE GENERAL MANAGER TO EXECUTE THE EXTENSION OF LISTING AGREEMENT BETWEEN THE DISTRICT AND ROSS REALTY.**
- 9. AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A BUILDING SPACE LEASE BETWEEN THE DISTRICT AND ART-CRAFT PAINT, INC. FOR THE HANGAR LOCATED AT 3115-B AIRPARK DRIVE.**
- 10. AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE FOURTH AMENDMENT OF GROUND LEASE BETWEEN THE DISTRICT AND CENTRAL COAST JET CENTER.**
- 11. AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A LAND LEASE BETWEEN THE DISTRICT AND TESTA CATERING**
- 12. CLOSED SESSION.** The Board will hold a Closed Session to discuss the following item(s):
- a) Conference with Real Property Negotiators (Chris Hastert and District Counsel) Re: 3455 Airpark Drive (Gov. Code Section 54956.8)
- 13. DIRECTORS' COMMENTS.**
- 14. ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD AUGUST 27, 2020

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

1. MINUTES OF THE REGULAR MEETING HELD August 13, 2020. Director Baskett made a Motion to approve the minutes of the regular meeting held August 13, 2020. Director Rafferty Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty and Baskett voted "Yes".
2. COMMITTEE REPORT(S):
 - a) AVIATION SUPPORT & PLANNING (Standing or Ad Hoc) – No meeting scheduled.
 - b) ADMINISTRATION & FINANCIAL (Standing or Ad Hoc) – The committee met and discussed a potential advisor change for the 457 account.
 - c) MARKETING & PROMOTIONS (Standing or Ad Hoc) – No meeting scheduled.
 - d) CITY & COUNTY LIAISON – A meeting is scheduled for September.
 - e) STATE & FEDERAL LIAISON – No meeting scheduled.
 - f) VANDENBERG LIAISON – No meeting scheduled.
 - g) BUSINESS PARK COMMITTEE (Ad Hoc) – The committee met and discussed future development for agriculture and aviation related business.
3. GENERAL MANAGER'S REPORT. Mr. Hastert notified the Board of potential interest in farming activity and the Allegiant service being expanded to include Mesa, AZ beginning in November. He updated them on the lot cleanup and spoke about the smoky air precluding the firefighting aircraft from flying to the fire in Monterey.
4. MANAGER OF FINANCE & ADMINISTRATION REPORT.

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

 - a) Demand Register. The Demand Register, covering warrants 068119 through 068166 in the amount of \$133,146.57 was recommended for approval as presented. Director Rafferty made a Motion to accept the Demand Register as presented. Director Brown Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty and Baskett voted "Yes".
 - b) Budget to Actual. Received and filed.

c) Financial Statements. Received and filed.

5. DISTRICT COUNSEL'S REPORT. Nothing to report.
6. PUBLIC SESSION: Statements from the public will be heard during public session. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public may use the "raise hand" feature to be put in a speaking queue. Public comment will be limited to three (3) minutes. If a speaker continues speaking after being notified of the end of their public comment period, the meeting Host will mute the speaker and move on to the next person in the queue.

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No one requested to speak.

7. Authorization for the President and Secretary to consent to the transfer of the hangar located at 2985-A Airpark Drive to Darren Beall. Director Rafferty made a Motion to approve. Director Brown Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty and Baskett voted "Yes".
8. CLOSED SESSION. At 7:13 p.m. the Board went into Closed Session to discuss the following item(s):
- a) Conference with Real Property Negotiators (Chris Hastert, Kerry Fenton and District Counsel) Re: 3217 Terminal Drive, Suite 103 (Gov. Code Section 54956.8)
 - b) Conference with Real Property Negotiators (Chris Hastert and District Counsel) Re: 3455 Airpark Drive (Gov. Code Section 54956.8)
 - c) Conference with Real Property Negotiators (Chris Hastert, Tom Ross and District Counsel) Re: APN 111-231-016 (Gov. Code Section 54956.8)
 - d) Conference with Legal Counsel - Existing Litigation. (Gov. Code section 54956.9(d)(1).) Name of Case: David Baskett v Santa Maria Public Airport District.

At 7:40 p.m., the Board and staff reconvened to Open Public Session.

There were no reportable actions.

9. DIRECTORS' COMMENTS: Director Baskett would like to see the District become energy independent. He notified the Board he will be providing documentation to them regarding the growing dangers of drones and what proactive measures the District should take.

Director Rafferty is happy to hear about the expanded Allegiant service.

Director Brown appreciates the new service.

Director Adams is glad we are moving forward with expanded air service and is looking forward to a time when we can meet in person.

10. ADJOURNMENT. President Adams asked for a Motion to adjourn to a Regular Meeting to be held on September 10, 2020 at 7:00 p.m. via a virtual meeting. Director Rafferty made that Motion, Director Baskett Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty and Baskett voted "Yes".

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 7:43 p.m. on August 27, 2020.

Chuck Adams, President

Hugh Rafferty, Secretary

MINUTES OF THE SPECIAL BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD SEPTEMBER 16, 2020

The Board of Directors of the Santa Maria Public Airport District held a Special Meeting via a virtual meeting at 2:00 p.m. Present were Directors Adams, Brown, Rafferty, Engel and Baskett. General Manager Hastert, Manager of Finance & Administration Reade and District Counsel George.

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

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No one requested to speak.

2. Authorization for the President to execute the Air Service Agreement between the District and Allegiant Air, LLC. Director Brown made a Motion to approve. Director Baskett Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty, Engel and Baskett voted “Yes”.
3. CLOSED SESSION. At 2:02 p.m. the Board went into Closed Session to discuss the following item(s):
 - a) Conference with Legal Counsel - Existing Litigation. (Gov. Code section 54956.9(d)(1).) Name of Case: David Baskett v Santa Maria Public Airport District.

At 2:12 p.m., the Board and staff reconvened to Open Public Session.

There were no reportable actions.

4. DIRECTORS’ COMMENTS: Directors Adams, Brown, Rafferty, Engel and Baskett had no comment.
5. ADJOURNMENT. President Adams asked for a Motion to adjourn to a Regular Meeting to be held on September 24, 2020 at 7:00 p.m. via a virtual meeting. Director Rafferty made that Motion, Director Baskett Seconded and it was carried by the following roll call vote. Directors Adams, Brown, Rafferty, Engel and Baskett voted “Yes”.

ORDER OF ADJOURNMENT

This Special Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 2:13 p.m. on September 16, 2020.

Chuck Adams, President

Hugh Rafferty, Secretary

Monthly Activity Report

August



AGENDA ITEM

4a

9/24/2020

Aviation Building Information

	Inventory	Occupied	Available	Occupancy Rate
T Hangars	140	136	4	97%
Corporate T Hangars	8	8	0	100%
Corporate Hangars	28	27	1	96%
Storage Units	26	26	0	100%
Owner Build	23	23	0	100%
Commercial Aviation Hangar Space (SqFt)	107,782	103,360	4,422	96%
Commercial Aviation Office Space (SqFt)	28,800	19,449	9,351	68%

Hangar Waiting List

T-Hangars	6
Corporate/Corporate T-Hangar	13

Monthly Activity

	Aug-19	Jul-20	Aug-20	%Change
Operations	3,343	3,010	3,184	-10%
Noise/Nuisance Complaints	0	2	1	
Jet\100LL Fuel (Gallons)	55,633	177,639	231,831	219%

Enplanments

	Aug-19	Jul-20	Aug-20	%Change
Allegiant	2,267	539	899	-60%
Central Coast Shuttle	925	24	22	-98%

Airline Load Factor

	# of Flights	Load Factor Actual flights	Load Factor SCHED flights
Allegiant	15	38%	38%

Land Lease Information (Acres)

	Inventory	Occupied	Available
Business Park	224	0	224
Agriculture	592.29	592.29	0
Grazing	511	511	0
Non Aviation Land Leases	TBD	48.42	
Aviation Land Leases	TBD	12.22	
Total Airport Acreage	2,550		

Mobile Home Park

	Spaces Rented	Units Sold
Mobile Home Park	78	

2020-2021

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 068167 to 068241 and electronic payments on Pacific Premier Bank and in the total amount of \$276,578.44.

CHRIS HASTERT
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 068167 to 068241, and electronic payments on Pacific Premier Bank in the total amount of \$276,578.44 has been approved as being in conformity with the budget approved by the Santa Maria Public Airport District and funds are available for their payment.

VERONEKA READE
MANAGER OF FINANCE AND ADMINISTRATION

DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF SEPTEMBER 24, 2020.

HUGH RAFFERTY
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 068167	8/26/2020	Adamski Moroski	3,371.59	Legal Service
* 068168	8/26/2020	AT&T	42.84	Phone Service
* 068169	8/26/2020	Clark Pest Control	330.00	Weed/Wildlife Abatement
* 068170	8/26/2020	Frontier Communications	704.69	Telephone Service
* 068171	8/26/2020	J.D. Humann Landscape	86.48	Landscape Maintenance/Repairs
* 068172	8/26/2020	J.F. Will Company, Inc.	27,043.46	Fence Repair Project
* 068173	8/26/2020	Principal Financial Group	2,743.99	Dental, Life, Disability, Vision
* 068174	8/26/2020	San Luis Powerhouse	525.00	Generator Maintenance
* 068175	8/26/2020	WageWorks	100.00	Cafeteria Plan - Admin. Fee
* 068176	9/4/2020	AT&T	214.15	Phone Service
* 068177	9/4/2020	City of Santa Maria-Util Div	5,995.56	Water Invoices
* 068178	9/4/2020	Clark Pest Control	330.00	Weed/Wildlife Abatement
* 068179	9/4/2020	Coastline Equipment	135.32	Heavy Equipment Maint.- Mech.
* 068180	9/4/2020	Electronic Parts Store	18.01	Fence and Gates
* 068181	9/4/2020	Frontier Communications	120.11	Telephone Service
* 068182	9/4/2020	The Gas Company	239.79	Utilities
* 068183	9/4/2020	Ray Heath	3,575.20	Consulting Service
* 068184	9/4/2020	Letters, Inc.	12.00	Auto Maintenance
* 068185	9/4/2020	LSC Communications	30.86	Publications
* 068186	9/4/2020	Mission Uniform Service	145.07	Uniform Service
* 068187	9/4/2020	SM Valley Chamber	38,000.00	Service Agreement 2020-2021
* 068188	9/4/2020	Verizon Wireless	927.77	Cell Phones
* 068189	9/9/2020	AT&T	136.47	Phone Service
* 068190	9/9/2020	BMI PacWest	1,680.00	Buildg. Maint. - Terminal
* 068191	9/9/2020	Bomar Security & Investigation	5,679.42	Security Service
* 068192	9/9/2020	Brayton's Power Wash & Sweep	950.00	Street Sweeping
* 068193	9/9/2020	CED	2,063.72	Lighting Maintenance
* 068194	9/9/2020	Coast Networx	210.00	Computer Support
* 068195	9/9/2020	Fedak & Brown LLP	890.00	Annual Audit

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 068196	9/9/2020	J B Dewar, Inc	206.63	Fuel Expense - Gas/Diesel
* 068197	9/9/2020	J.D. Humann Landscape	72.36	Landscape Maintenance
* 068198	9/9/2020	MarTeeny Designs	275.00	Web Page Maint.
* 068199	9/9/2020	Mission Uniform Service	145.07	Uniform Service
* 068200	9/9/2020	Quadient Finance	200.00	Postage
* 068201	9/9/2020	ReadyRefresh by Nestle	72.09	Water Delivery
* 068202	9/9/2020	Xerox Financial Services	536.53	Copier
* 068203	9/9/2020	Chuck Adams	600.00	Directors Fees
* 068204	9/9/2020	AT&T	42.83	Phone Service
* 068205	9/9/2020	City of Santa Maria	9,170.00	Water Invoice
* 068206	9/9/2020	Clark Pest Control	545.00	Weed/Wildlife Abatement
* 068207	9/9/2020	Electronic Parts Store	14.13	Heavy Equipment Maint.- Mech.
* 068208	9/9/2020	Carl Engel, Jr.	500.00	Directors Fees
* 068209	9/9/2020	Fence Factory	127.50	Fencing & Gates
* 068210	9/9/2020	Frontier Communications	1,250.16	Telephone Service
* 068211	9/9/2020	J.D. Humann Landscape	4,955.00	Landscape Maintenance
* 068212	9/9/2020	Letters, Inc.	6.00	Auto Maintenance
* 068213	9/9/2020	Mission Uniform Service	145.07	Uniform Service
* 068214	9/9/2020	Napa Auto Parts	101.89	Auto parts
* 068215	9/9/2020	Pacific Telemanagement	230.92	Pay Phone Service
* 068216	9/9/2020	Hugh Rafferty	500.00	Directors Fees
* 068217	9/9/2020	SCS Engineers	577.50	Workplan for Assessment of PFAS
* 068218	9/9/2020	SM Valley Chamber	8,050.00	Dues
* 068219	9/9/2020	Tri-Counties Plant Service	275.00	Interior Plants Maint.
* 068220	9/9/2020	VTC Enterprises	70.00	Trash - Paper Recycling
* 068221	9/18/2020	Advantage Answering Plus	273.37	Answering Service
* 068222	9/18/2020	Aflac	277.56	Voluntary Ins. - Employee
* 068223	9/18/2020	Bartlett, Pringle & Wolf	493.50	Computer Support
* 068224	9/18/2020	BMI PacWest	499.40	Buildg. Maint. - Terminal

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 068225	9/18/2020	Bomar Security & Investigation	945.50	Security Service
* 068226	9/18/2020	City of Santa Maria	400.52	Stormwater Retention Facilities
* 068227	9/18/2020	Clark Pest Control	586.00	Weed/Wildlife Abatement
* 068228	9/18/2020	Comcast	1,162.77	Cable/Internet /Digital Voice
* 068229	9/18/2020	Costco Wholesale Membership	180.00	Membership Renewal
* 068230	9/18/2020	De Lage Landen	106.37	Lease/Maint. - Copier
* 068231	9/18/2020	Frontier Communications	188.59	Telephone Service
* 068232	9/18/2020	J B Dewar, Inc	267.90	Fuel Expense - Gas/Diesel
* 068233	9/18/2020	Keylock Security Specialists	130.00	Maint.- Access Control System
* 068234	9/18/2020	Letters, Inc.	18.00	Auto Maintenance
* 068235	9/18/2020	Limotta Internet Technologies	4,222.50	Computer Support Services
* 068236	9/18/2020	Mead & Hunt, Inc.	1,025.00	Air Service Consulting
* 068237	9/18/2020	Mission Uniform Service	145.07	Uniform Service
* 068238	9/18/2020	Mr. Backflow	275.00	Maint. - FBO Hangar Area
* 068239	9/18/2020	Service Star	10,675.94	Janitorial Service
* 068240	9/18/2020	S Lombardi & Assoc., Inc.	3,500.00	Airport Advertising
* 068241	9/18/2020	WageWorks	100.00	Cafeteria Plan - Admin. Fee
		Subtotal	<u>\$ 150,443.17</u>	
Electronic Payments				
ACH	8/21/2020	Paychex	184.56	Paychex Invoice
ACH	8/22/2020	Umpqua Bank	249.77	SWAAE Dues/Computer Support/Sundries
ACH	8/26/2020	Card ServiceCenter	854.73	Security Service/Computer Supplies
ACH	8/26/2020	Card ServiceCenter	2,224.98	Computer Service/Safety Equip/Office
ACH	9/1/2020	CalPERS	5,600.27	Employee Retirement
ACH	9/2/2020	Bankcard	1,201.04	Credit Card Fee
ACH	9/3/2020	Paychex	26,365.51	Payroll
ACH	9/4/2020	Paychex	187.46	Paychex Invoice
ACH	9/4/2020	Mass Mutual	4,042.60	Employee Paid Retirement

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
ACH	9/4/2020	Paychex	5,588.04	Payroll Taxes
ACH	9/4/2020	Pacific Gas & Electric Company	11,181.75	Terminal/Admin./Main Hangar
ACH	9/4/2020	Pacific Gas & Electric Company	11,126.42	Terminal/Admin./Main Hangar
ACH	9/11/2020	CalPERS	15,000.18	Health Insurance
ACH	9/15/2020	CalPERS	5,617.14	Employee Retirement
ACH	9/17/2020	Paychex	26,260.85	Payroll
ACH	9/17/2020	Mass Mutual	4,042.60	Employee Paid Retirement
ACH	9/18/2020	Paychex	187.46	Paychex Invoice
ACH	9/18/2020	Paychex	5,540.36	Payroll Taxes
ACH	9/21/2020	Pacific Gas & Electric Company	24.64	Terminal/Admin./Main Hangar
ACH	9/21/2020	Pacific Gas & Electric Company	27.90	Terminal/Admin./Main Hangar
ACH	9/21/2020	Pacific Gas & Electric Company	247.81	Terminal/Admin./Main Hangar
ACH	9/21/2020	Pacific Gas & Electric Company	324.20	Terminal/Admin./Main Hangar
ACH	9/21/2020	Credit Card Refund	55.00	Tom Greene Reimbursement for rent
		Subtotal	<u>\$ 126,135.27</u>	
		Total	<u><u>\$ 276,578.44</u></u>	



MODIFICATION OF LISTING, BUYER REPRESENTATION OR OTHER AGREEMENT BETWEEN PRINCIPAL AND BROKER

(C.A.R. Form MT, Revised 6/19)

The Listing Agreement Buyer Representation Agreement, (or, if checked,) Other CAR Form VLL - Original Expiration 10-10-17 dated Current Expiration 10-10-20, between Ross Realty ("Broker") and Santa Maria Public, Airport District ("Principal"), regarding the real property, manufactured home or business described as SMPAD Property - See Addendum No.1, Santa Maria, is modified as follows:

PRICE: The listing price, price range, lease or rental amount shall be changed to: _____ Dollars (\$ _____)

EXPIRATION DATE: The expiration date is changed to: October 10, 2023

NOTICE: THE AMOUNT OR RATE OF REAL ESTATE COMMISSIONS IS NOT FIXED BY LAW. THEY ARE SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN PRINCIPAL AND BROKER (REAL ESTATE COMMISSIONS INCLUDE ALL COMPENSATION AND FEES TO BROKER).

OTHER: This is the Second Modification/Extension.

All other terms of the Listing Agreement, Buyer Representation Agreement, or other agreement as applicable, remain in full force and effect, except as modified herein.

I acknowledge that I have read, understand and have received a copy of this Modification of Terms.

Principal Santa Maria Public Date _____
Principal Airport District Date _____
Broker Ross Realty DRE Lic # 01102961
(Firm)
By _____ DRE Lic # _____ Date _____
(Agent)
Tom Ross

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MT REVISED 6/19 (PAGE 1 OF 1)
MODIFICATION OF LISTING BUYER REPRESENTATION OR OTHER AGREEMENT BETWEEN PRINCIPAL AND BROKER (MT PAGE 1 OF 1)

BUILDING SPACE LEASE

This Building Space Lease ("Lease"), dated September 24, 2020, is entered into by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "Landlord" or "District"), a public airport district of the State of California, and Art-Craft Paint, Inc. (herein called "Tenant").

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

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

- a. **"Airport"** means the Santa Maria Public Airport at Santa Maria, California.
- b. **"FAA"** means the Federal Aviation Administration or its successor organization or department.
- c. **"Improvements"** include buildings, structures, fixtures, partitions, counters, and other property affixed to the realty in any manner.
- d. **"Leased Premises" or "Premises"** mean and include the commercial aviation unit located at 3115-B Airpark Drive, at the Santa Maria Public Airport, in the City of Santa Maria, State of California, as shown outlined in red on the plot plan marked Exhibit "A" attached hereto and made a part hereof, together with those appurtenances specifically granted in this Lease.
- e. **"Movement Area"** means the runways, taxiways and other areas of the Airport, which are used for taxiing or hover taxiing, air taxiing, takeoff and landing by aircraft.
- f. **"Party" or "parties"** mean the District and/or Tenant.

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

3. **Month-To-Month Term.** The term of this Lease shall be on a month-to-month basis, commencing October 1, 2020, and may be terminated by either party on thirty (30) days' written notice to the other.

4. **Rent.** Tenant shall pay to District as monthly rent, the sum of \$769.00 (2,262 Sq. Ft. x .34 per Sq. Ft. based on the 2020-2021 published rates and charges) on the first day of each calendar month, without prior notice, demand, deduction or offset, at District's office at 3217 Terminal Drive, or such other address as District may direct Tenant in writing. Rent for partial month occupancy shall be prorated.

5. **Security Deposit.** Upon execution of this Lease, Tenant shall deposit with District \$1,538.00 as a security deposit for the performance by Tenant of the provisions of this Lease. If Tenant is in default, District can use the security deposit, or any portion of it, to cure

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

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

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

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

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

c. Park automobiles of Tenant, its employees and invitees, outside the building, only in designated parking lots, or in areas designated in writing by District's General Manager for Tenant's use; provided, passenger vehicles used in conjunction with a stored aircraft may be parked inside the building in place of the aircraft while in use.

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

e. Sale of aircraft and aircraft parts, components and accessories.

- f. Rental and sales of aircraft.
- g. Flight instruction.
- h. Air taxi and on-demand aircraft charter services to the general public.
- i. Maintenance and renovation of airplane interiors and exteriors.
- j. Storage of aviation support equipment including but not limited to aircraft tugs.

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

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

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

will be towed to and from a "movement area" on the Airport.

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

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

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

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

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

n. Storage of any vehicle not covered by a Permitted Use, other than mobile equipment incidental to the Permitted Uses, is prohibited.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23. **Damage or Destruction.**

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

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

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

and other installations installed by or for Tenant at its expense.

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

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

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

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

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

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

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

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

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

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

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

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

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

27. **Notices.** All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and the Tenant at 3203 Lightning St., Suite 108, Santa Maria, 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.

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

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

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

31. **Vehicles.** Any motor vehicles of Tenant permitted to operate on any aircraft movement area at the Airport shall be equipped with two-way radios capable of two-way communication with the control tower at the Airport.

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

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

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

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

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

37. **General.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If a partnership, furnish District a copy of the published statement of doing

business under a fictitious name filed with the Santa Barbara County Clerk.

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

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

IN WITNESS WHEREOF, the parties have executed this Lease.

Dated: September 24, 2020

DISTRICT:

Approved as to content for District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

General Manager

By: _____
Chuck Adams, President

Approved as to form for District:

By: _____
Hugh Rafferty, Secretary

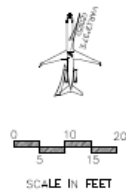
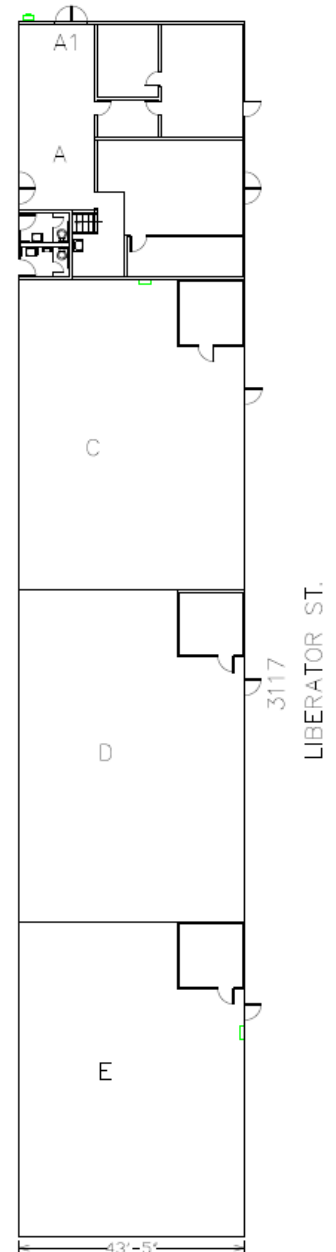
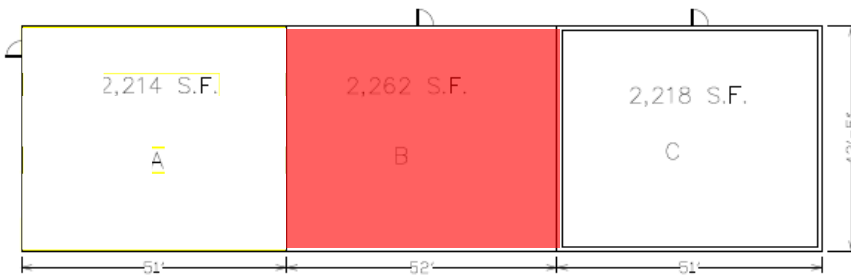
District Counsel

TENANT:

ART-CRAFT PAINT, INC.

By: _____
Teresa Arrendondo, President

3115
AIRPARK DR.



HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

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

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

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

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

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

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

(vii) without limitation which contains polychlorinated 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 "Tenant's" use or occupancy of the Premises or the Airport or as the result of any of "Tenant's" (or "Tenant's" agents, employees, invitees or officers) actions or omissions, regardless of whether the existence of such "Hazardous Materials" or the violation of "Environmental Requirements" arose prior to the present ownership or operation of the Premises, and including without limitation:

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

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

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

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

EXHIBIT "C"

RIDER

Rider to the License Agreement dated September 24, 2020, herein called "License") between Santa Maria Public Airport District (herein called "District") and Art-Craft Paint, Inc. (herein called "Licensee").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FIFTH AMENDMENT TO GROUND LEASE
TEMPORARY USFS AIR TANKER BASE AND FIRE RETARDANT STORAGE/PREP AREA

Re: Lease dated February 22, 2007, between the SANTA MARIA PUBLIC AIRPORT DISTRICT, a public district of the State of California (herein called "District") and CENTRAL COAST JET CENTER, LLC, a California limited liability company (herein called "Lessee").

The undersigned SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and CENTRAL COAST JET CENTER, LLC ("Lessee") agree to amend the above-referenced Lease, effective September 24, 2020, as follows:

1. Leased Premises is deleted in its entirety and replaced with:

Leased Premises: District leases to Lessee, and Lessee leases from District exclusive areas consisting of: "Reload Pits" consisting of 125,000 square feet (125' x 1,000'), "Retardant Base" consisting of 10,500 square feet (125' x 84') and "Storage Area and Parking" consisting of 14,000 square feet (120' x 90' and 100'x32') as shown on Exhibit "A-2"

Additionally, District leases to Lessee, and Lessee leases from District the non-exclusive areas consisting of: "Helicopter and Overflow Parking" 34 acres as depicted on Exhibit "A-2", "Reload Pits" consisting of 76,400 square feet (382' x 200') of paved aircraft ramp adjacent to the Central Coast Jet Center building lease located at 3335 Corsair Circle", and Overflow Parking Area" 376,503 square feet as shown on Exhibit "A-3". Lessee shall provide official notification to District upon commencement of tanker base operations within the non-exclusive areas, District will coordinate with the air traffic control tower to restrict aircraft not affiliated with Lessee operations from using the area.

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

Dated: September 24, 2020

SANTA MARIA PUBLIC AIRPORT DISTRICT

Approved as to content for District:

By: _____
Charles Adams, President

General Manager

Approved as to form for District:

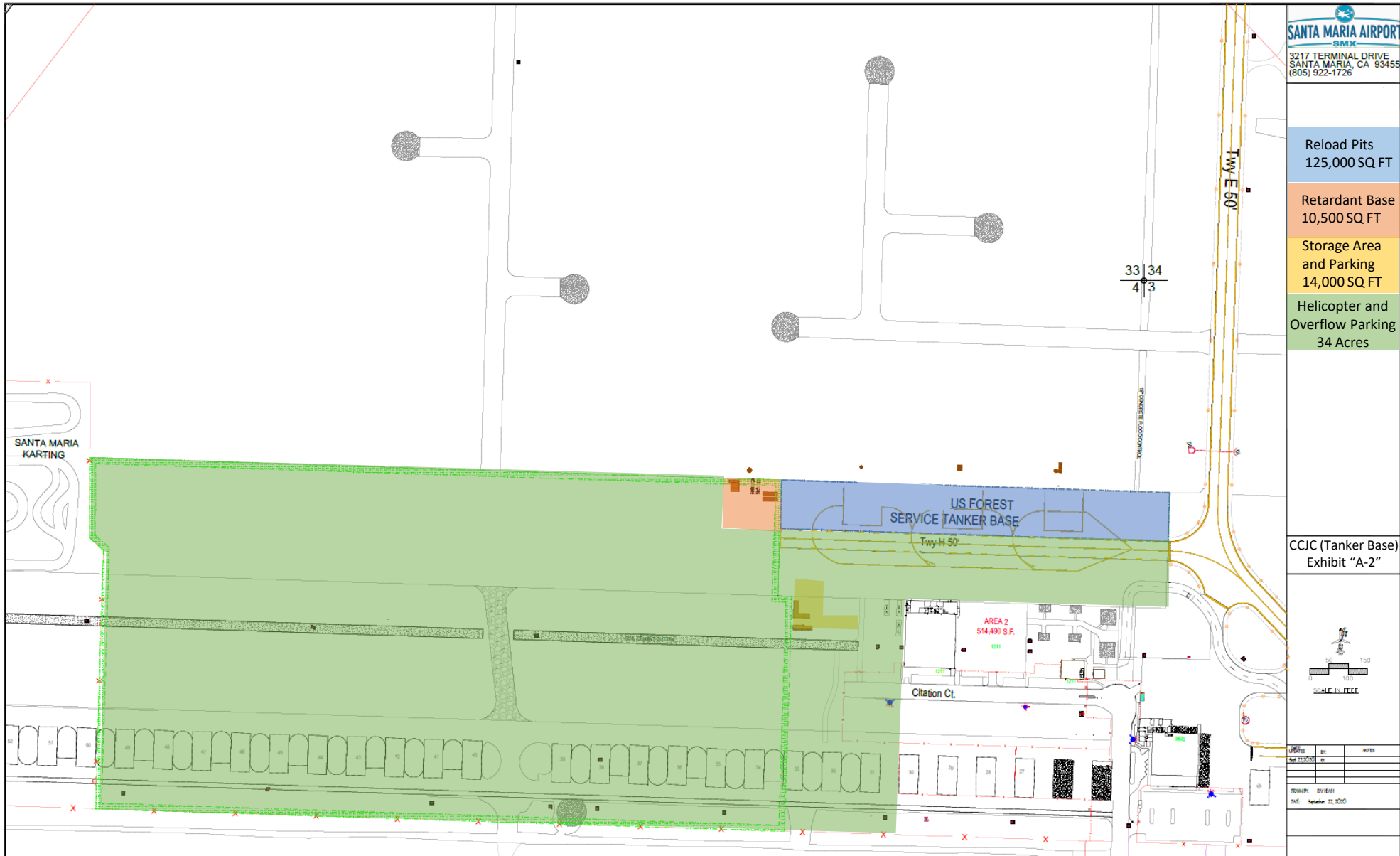
By: _____
Hugh Rafferty, Secretary

District Counsel

LESSEE:

CENTRAL COAST JET CENTER, LLC

By: _____
James W. Kunkle, Manager



SANTA MARIA AIRPORT
 SMX
 3217 TERMINAL DRIVE
 SANTA MARIA, CA 93455
 (805) 922-1726

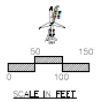
Reload Pits
 125,000 SQ FT

Retardant Base
 10,500 SQ FT

Storage Area
 and Parking
 14,000 SQ FT

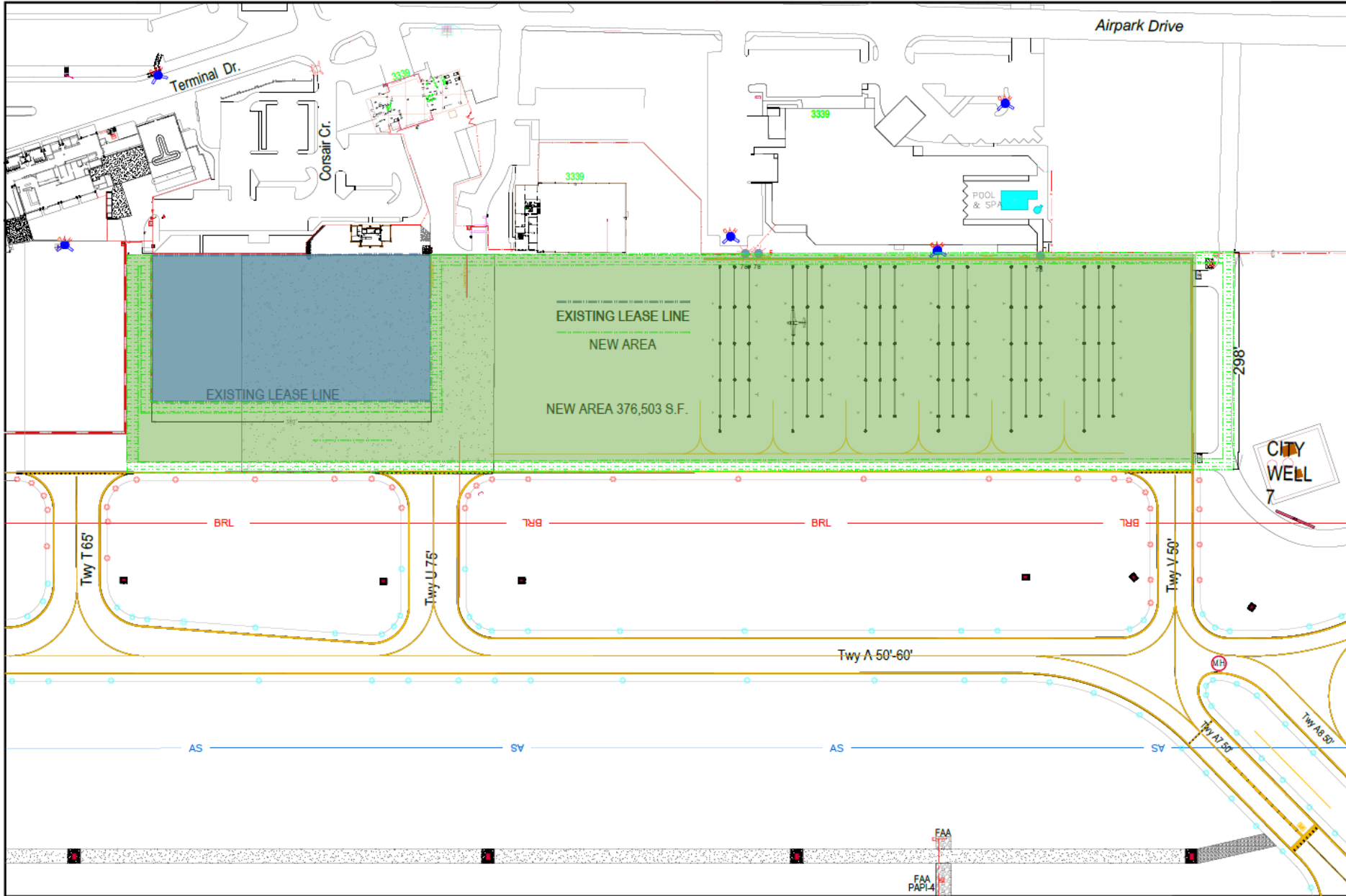
Helicopter and
 Overflow Parking
 34 Acres

CCJC (Tanker Base)
 Exhibit "A-2"



REV	BY	DATE	NOTES
1	SMX	08/22/2010	

DRAWN BY: SMX
 DATE: September 22, 2010

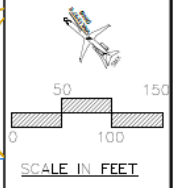


SANTA MARIA AIRPORT
 3217 TERMINAL DRIVE
 SANTA MARIA, CA 93458
 (805) 922-1726

Reloading Pits
 76,400 SQ FT

Overflow Aircraft
 Parking Area
 376,503 SQ FT

CCJC (Tanker Base)
 Exhibit "A-3"



NO.	BY	DATE

DATE: September 22, 2020

DRAWING

GROUND LEASE - VEHICLE PARKING LOT

THIS LEASE, dated October 1, 2020, 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 Martin Testa, DBA Testa Catering. (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 6,000 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 one (1) year commencing October 1, 2020, (herein referred to as the "Term" or "term of this Lease").

3. Rent.

a. Monthly Rent. During the term of this Lease, Lessee shall pay rent to District in the amount of \$245.00 per month (\$0.04076 per square foot).

b. Monthly Rent Increases: The monthly rent shall be adjusted annually on July 1 of each calendar year, upwards but not downwards, by the percentage proportion of the change of the Consumer Price Index, All Items, 1982-84 = 100, Los Angeles-Anaheim-Riverside, For All Urban Consumers (the "CPI") published by the United States Department of Labor, Bureau of Labor Statistics, or a successor in function, for the most recent 12-month period available before the adjustment period, provided, the CPI adjustment for July 1, 2021, shall be prorated to reflect the nine (9) months in possession.

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

d. 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.

e. 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 parking of vehicles and trailers owned by Lessee's.

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 waste water will directly enter District's storm drain system or City sewer system without permit or approved treatment.

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 as required herein, District shall have the option, but not the obligation, of making necessary corrections after a reasonable written notice from District of its intent to do so. All costs incurred by District in making said corrections, including but not limited to the cost of labor, materials, equipment and administration, shall be Additional Rent, and 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 as limiting provisions relating to condemnation or to damage or destruction during the final years of the lease term. No deprivation, impairment or limitation of use resulting

from any event or work contemplated by this section shall entitle 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).

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, environmental requirements and environmental damages (as defined in Exhibit "B", Hazardous Material Definitions) costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Leased Premises or the improvements thereon or District's property or improvements in the vicinity of the Leased Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal ("release, etc.") of any toxic or hazardous materials (defined in Exhibit "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, the following types and amounts of insurance:

a. 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 Two Million Dollars (\$2,000,000.00) 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", consisting of four pages, are 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 2218 S. Thornburg St. Santa Maria, 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.

DISTRICT:

Approved as to content for District:

SANTA MARIA PUBLIC AIRPORT DISTRICT

General Manager

By: _____
Charles Adams, President

Approved as to form for District:

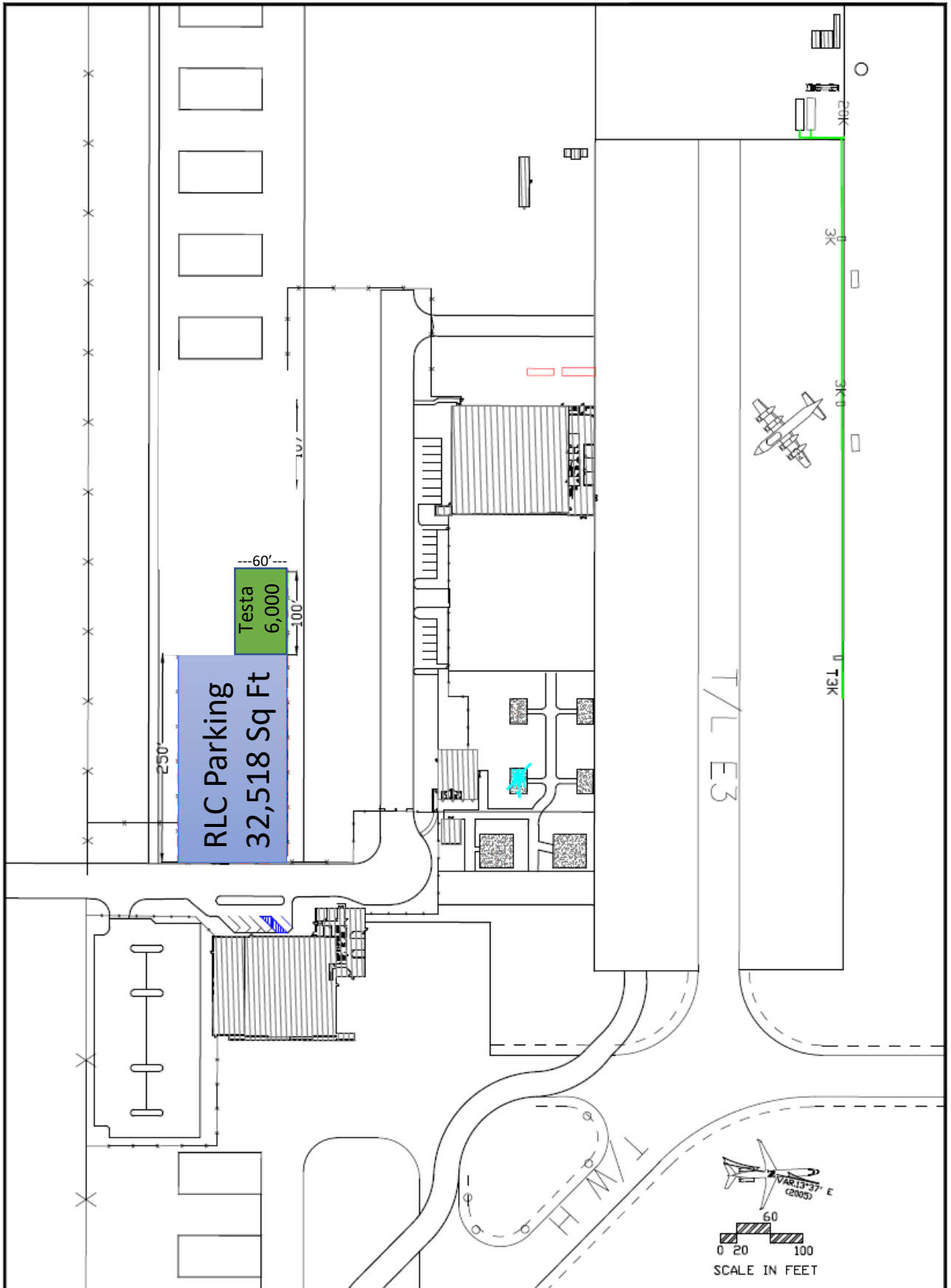
By: _____
Hugh Rafferty, Secretary

District Counsel

LESSEE:

Martin Testa
DBA Testa Catering

By: _____



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

REVISIONS	
DATE	By
2/12/16	RH

APPROVED:	
BY	DATE
_____	_____

Exhibit "A"
Testa Catering

9-23-2020

Exhibit "B"

HAZARDOUS MATERIAL
Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

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

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

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

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

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

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

(vii) without limitation which contains polychlorinated 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 "Tenant's" use or occupancy of the Premises or the Airport or as the result of any of "Tenant's" (or "Tenant's" agents, employees, invitees or officers') actions or omissions, regardless of whether the existence of such "Hazardous Materials" or the violation of "Environmental Requirements" arose prior to the present ownership or operation of the Premises, and including without limitation:

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

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

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

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

EXHIBIT "C"

RIDER

Rider to the License Agreement dated October 1, 2020, herein called "License") between Santa Maria Public Airport District (herein called "District") and Martin Testa, DBA Testa Catering (herein called "Licensee").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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