

**RESCHEDULED
REGULAR MEETING OF THE
MONTEREY PENINSULA AIRPORT DISTRICT
BOARD OF DIRECTORS**

April 27, 2023 - 9:00 AM

**Monterey Regional Airport
200 Fred Kane Drive, Suite 200**

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, remote comments will not be allowed, except as outlined in the limited circumstances below.

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Members of the public who desire to make a public comment can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person may address the Monterey Peninsula Airport District Board at this time on any item that is **NOT** on today's agenda and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.

E. CONSENT AGENDA - ACTION ITEMS

The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.

- Approve 1. [Minutes of the Air Carrier Service – Marketing – Community Relations Committee Meeting of March 08, 2023](#)
- Approve 2. [Minutes of the Airport Property Development & Leases Committee Meeting of March 10, 2023](#)

- Approve 3. [Minutes of the Budget & Finance Committee Meeting of March 14, 2023](#)
- Approve 4. [Minutes of the Regular Board Meeting of March 15, 2023](#)
- Approve 5. [Minutes of the Special Board Meeting of April 5, 2023](#)
- Approve 6. [Minutes of the Budget & Finance Committee Meeting of April 12, 2023](#)
- Approve 7. [Minutes of the Airport Property Development & Leases Committee Meeting of April 14, 2023](#)

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

G. REGULAR AGENDA - ACTION ITEMS

- Presentation 1. [Overview of Current Instrument Procedure Capabilities on Runway 10R/28L, by Lean Corporation, Paul Hannah](#)
- Presentation 2. [Well Water Analysis & Potential Distribution Route, by Kimley Horn, Pearse Melvin](#)
- Presentation 3. Update Regarding the Airport’s Appeal of a Tree Citation Issued by the City of Monterey
- Direct 4. [Provide Direction to Staff for Airport Fire & Related Emergency Services](#)
- Approve 5. [Revised Monterey Peninsula Airport District On-Airport Rental Car Operator Lease and Concession Agreement](#)
- Discuss 6. Strategic Planning Report Review and More Efficient Board Meetings

H. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

Report on meetings attended by Board Members at Monterey Peninsula Airport District’s expense -

AB1234. [The board receives department reports which do not require any action by the board.](#)

Standing Committees:

- i. Budget and Finance Directors Sabo & Leffel
- ii. Air Service, Marketing, Community Relations Directors Sawhney & Pick
- iii. Airport Property Development and Leases Directors Sawhney & Miller

b. Ad-Hoc Committees:

- i. Local Jurisdiction Liaison Director Sawhney & Leffel

c. Liaison/Representatives:

- i. Local Agency Formation Commission Director Leffel
- ii. Regional Taxi Authority Director Pick
- iii. Transportation Agency for Monterey County Director Sabo
- iv. Special Districts Association Liaison Director Sawhney
- v. Association of Monterey Bay Area Governments Director Miller

I. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- Receive Drone and Balloon Update
- Review FY 2024 Rates and Charges as Part of the Budget
- Receive Report on Emergency Procedures and Preparedness
- Review of Six Month and Two-Year SEP Plan

J. DISCUSSION OF FUTURE AGENDAS

Any Board member may request the Board of Directors to instruct staff to report back to the Board at a future meeting concerning any matter or place a matter of business on a future agenda. Approval of such requests will be made by motion.

K. ADJOURNMENT

AGENDA DEADLINE

This is the final Agenda that has been posted on the bulletin board outside of the District Offices in the Terminal Building at the Monterey Regional Airport no less than 72 hours prior to the meeting.

All items submitted by the public for possible inclusion on the Board Agenda or in the Board packet must be received by 5:00 P.M. on the Friday before the first Wednesday of the month. This agenda is subject to revision and may be amended prior to the scheduled meeting.

Upon request and where feasible, the Monterey Peninsula Airport District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. To allow the District time within which to make appropriate arrangements, please submit a written request containing a brief description of the materials requested and preferred alternative format or auxiliary aid or service desired as far as possible in advance of the meeting. Requests should be sent to the District Secretary at 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

MINUTES OF THE AIR CARRIER SERVICE - MARKETING - COMMUNITY RELATIONS COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

March 8, 2023 – 1:00 PM Pacific Time (4:00 PM Eastern Time)

**Monterey Regional Airport
200 Fred Kane Drive, Suite 200
Monterey, CA
2nd Floor Boardroom**

and

**Holiday Inn Miami Doral Area
325 N.W. 87th Ave.
Miami, FL
Hotel Lobby**

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A. CALL TO ORDER

The meeting of the Air Carrier Service – Marketing – Community Relations Committee Meeting was called to order at 1:07 PM. Directors Sawhney and Pick, Executive Director La Pier, Acting Board Secretary Adams, and Deputy Executive Director Morello were present. Director Pick participated from a remote location as noticed on the Agenda.

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Chidlaw Marketing Quarterly Report

Executive Director La Pier reviewed the February Public Relations Report provided by Chidlaw Marketing. Director Sawhney questioned the title of this Agenda Item, because the report is entitled February Public Relations Report. Executive Director La Pier stated the monthly report is part of the quarterly report. There are written monthly reports and then quarterly Chidlaw Marketing will report at the Board meeting and answer questions. Our Social Media Specialist will also attend that portion of the Board meeting. Director Sawhney referred to Agenda Item 4, asking if Local Marketing and Outreach

Update referred to the Digital Media Analytics Report. Executive Director La Pier stated yes. Director Sawhney expressed her desire to see the reports about marketing look more like each other saying it seems marketing is very divided. Executive Director La Pier stated the team is not divided; the PR and advertising team meets with the Social Media Specialist and himself monthly for coordination of calendar and messaging. Director Sawhney wants the reports to have the “same face” and gave additional feedback on the layout of the report. Executive Director La Pier will consider that feedback going forward. Director Sawhney also asked that the board review the website saying it is disjointed to her and Director Leffel also wanted it reviewed. Executive Director La Pier did not agree that is a board function and his understanding is that Director Leffel wanted staff to review it, which they are doing.

Director Pick was complimentary about the increased press releases and media attention.

Directors discussed the Analytics report. Executive Director La Pier answered questions about the budget for social media and examples of digital media posts. Executive Director La Pier answered questions about the website, stating the commercial site is the montereyairport.com address and the business site is the montereyairport.specialdistrict.org address. He noted, however, the websites flow between each other seamlessly. Director Sawhney suggested the Board get a construct overview at a future Board meeting. Executive Director La Pier answered that we welcome comments and suggestions for the site, but he did not believe a formal review at a Board meeting was necessary since staff is currently entertaining a refresh for the commercial site. Director Pick agreed this was not something the board needed to review; the full board can direct staff to take care of it or it can be dealt with one on one.

Directors discussed the media coverage. Director Sawhney asked questions about the demographics and reach of television and radio outlets. Director Sawhney asked for a budget to date report on where the marketing money is spent. Executive Director La Pier stated there are two-line items on the monthly financial reports. One is for marketing, which includes most advertising, and the other is for social media, which includes the social media paid advertising.

Review 2. Landrum & Brown Quarterly Report

Executive Director La Pier reviewed the Landrum and Brown Quarterly Report. He reported advance bookings are up and the leakage report shows we are taking customers from both SFO and SJC. Director Pick noted there has been a reduction in flights so the increase in enplanements is with less capacity.

Review 3. Air Carrier Service Development Update

Executive Director La Pier reported an air service development meeting with a new airline was postponed due to the weather last month and has been rescheduled for this month. He reported he is also scheduled to participate in the Jumpstart Conference in June. There was a discussion about the “wish list” of new markets.

Executive Director La Pier gave an update on the acquisition of cell phone data.

Director Sawhney asked if the Monthly Flight Schedule could be added to the standard reports sent to the Air Service Committee. Director Pick agreed.

Discussion 4. Local Marketing and Outreach Update

Agenda Item 4. was discussed during Agenda Item 1.

Discussion 5. Passenger Comments, Services and Amenities Update

There was a discussion about the passenger comments. It was noted the feedback report is only comments that are submitted via the QR code.

Discussion 6. Community Noise Concerns Update

There was a discussion about the noise report. Executive Director La Pier stated the multiple comments from Spreckels are about the new Airbus 319 to and from Dallas. He noted the actual noise is the same as the previous plane and there is no operational change. However, the size of the new plane gets more attention, so it is more noticeable for a while.

E. ADJOURNMENT

The meeting adjourned at 2:24 PM.

*Approved at the
Meeting of April 27, 2022*

William Sabo, Chair Pro Tem

A T T E S T

*Michael La Pier, AAE
District Secretary*

MINUTES OF THE AIRPORT PROPERTY DEVELOPMENT & LEASES COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

March 10, 2023 – 10:00 AM

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A. CALL TO ORDER

The meeting of the Airport Property Development & Leases Committee Meeting was called to order at 10:30 AM. Director Sawhney, Director Miller, Executive Director La Pier, District Counsel Huber, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Leasing Activity Review

Executive Director La Pier stated the Car Rental Agreement will come back to the Board. He gave an update on the changes requested by rental car companies to date. They include a reduction in the minimum guarantee in the event of a severe downturn in our passenger traffic, a change to the amount of the violations penalty from \$1,000 to \$500, and the hours of operation starting with first arrival instead of first departure. They all have key drops now for departures; that is pretty standard in the industry.

Director Miller asked if the Hertz Group agreement would be different than Enterprise's. Executive Director La Pier answered the Hertz agreement will be one brand. The Avis agreement will cover their Budget brand, and the Enterprise agreement will cover their National and Alamo brands. It will be an

equal and consistent agreement but there will be slight language changes to accommodate the multiple brands, each with their own Minimum Guarantee.

Director Sawhney asked who was authoring the changes. Executive Director answered District Counsel Huber took their comments and drafted modifications to the document.

No Public Comment.

Executive Director La Pier gave an update on the Hangar Project. Director Sawhney expressed her desire for written updates in the future. Director Miller did not agree that was necessary since nothing in these committee updates require committee action.

Controller Wilson gave a recap on the hangar loan. He stated the loan amount, term, and the rate are all the same as previously approved. The only item not previously discussed was that they will require a reserve of the equivalent of one year Principal and Interest (P&I). The agreement went to District Counsel Huber, and he has approved it.

Director Miller asked if the hangar project was still on track for completion by October. Executive Director La Pier answered it will be a challenge.

District Counsel Huber updated the committee on some complaints he received about non-aviation use of hangars and stated he is following up. Director Sawhney asked how someone would go about filing a complaint. District Counsel Huber stated they can give us the information however they want: email, mail, phone, come into the office, or fill out an online message to info@montereyairport.com from the website.

Director Sawhney asked if Executive Director La Pier had a meeting with the hangar tenants. Executive Director La Pier answered yes and there was a sharing of information and a suggestion that is being looked into.

Director Sawhney asked why our current rates are so much less than the local rent analysis done in 2021. Executive Director La Pier answered the Board of Directors wanted to support General Aviation to the best of our ability. So, we did not increase with market rates. Director Miller added some of the hangars weren't in the best of shape either.

For the benefit of Director Sawhney, who had been absent from the meeting where it was authorized, there was a recap of the major points of the hangar project.

Matt Pasztalaniec, a member of the public and an Airport hangar tenant, commented the rules for non-aviation use of hangars are very clear that it is only allowed when there is no aviation need. There is a wait list for hangars, so there is a need. He is aware there are three hangars filled with cars and some others with fire trucks in them. District Counsel Huber asked that Mr. Pasztalaniec give him the specifics so we can inspect immediately. Mr. Pasztalaniec reported there are 6-8 hangar tenants that are coming to the regular board meeting to make comments. District Counsel Huber gave Mr. Pasztalaniec his email so he could send him details of the non-aviation use he has observed.

There was a discussion about the annual hangar inspection process and the fact that we have the right to immediately inspect when we get a complaint and to cancel a commercial lease if we need the hangar for aviation use. Director Sawhney asked how many hangars on Airport property. Executive Director La Pier gave approximate numbers noting NSSI and Del Monte Aviation own and manage some of them.

Review 2. Car Rental Agreement Update

This item was reviewed prior to Item 1.

There was a discussion about scheduling a standard day and time for the Lease Committee meetings in 2023. It was determined the second Wednesday of the month at 10:00 AM for two hours would be calendared.

E. ADJOURNMENT

The meeting adjourned at 12:15 PM.

*Approved at the
Meeting of April 27, 2022*

William Sabo, Chair Pro Tem

A T T E S T

*Michael La Pier, AAE
District Secretary*

MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

March 14, 2023 – 9:00 AM

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A. CALL TO ORDER

The meeting of the Monterey Peninsula Airport District Budget & Finance Committee was called to order at 9:00 AM. Director Sabo and Director Leffel, Executive Director La Pier, Deputy Executive Director Morello, and Controller Wilson were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Resolution No. 1841, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and KBM Hogue

Director Sabo asked to modify the agenda to review Item D.2 before Item D.1.

Review 2. Resolution No. 1842, A Resolution Approving the State of California Department of Transportation ("Cal Trans") California Airport Loan Agreement

Controller Wilson reported the loan amount is the same as we requested, the rate is the same as discussed, and the term is still 17 years. The agreement requires MPAD to hold a reserve of one year P&I which is approximately \$330k. Payments are due annually and there is no prepayment penalty. There is no specific collateral; this is a general obligation of the airport. There are no covenants. The

Agreement was reviewed by Counsel Huber and it is as he expected. The next step is to have the board authorize the execution of the Agreement and then funding would be in 30-45 days.

Director Leffel asked to confirm the components of funding of the hangar project. Controller Wilson answered the total required is \$7,040,958 and funding it is this loan of \$3,740,958 and \$3.3 million in district funds; \$1.3 million of which was previously drawn on CARES and earmarked for this and another \$2 million of reserves.

Director Leffel asked if the \$333,918 reserve is a 17-year hold if we don't prepay. Controller Wilson answered yes. Director Leffel asked if we could pay in advance and save a little interest. Controller Wilson will look into that. There was a discussion about the timing of receiving the loan and when we really need the money. Controller Wilson noted if we don't execute the loan before August 14, 2023, it becomes null and void. He will review the timing, however.

Director Sabo asked questions about disbursements and documentation. Controller Wilson answered this is not a construction loan since we are purchasing a finished product. Cal Trans will fund the entire amount 30-45 days after loan execution. The agreement does stipulate the funds are used for this project, but the accounting and documentation will make that clear. Director Sabo asked Controller Wilson's intentions with regard to the reserve monies. Controller Wilson answered there is a separate bank account set up and it is interest bearing. The amount will be Restricted Cash on the balance sheet. Director Sabo stated he could support this resolution.

Director Sabo made comments about the hangar rates and charges and said he has written down some ideas about phasing in the rent increases. Director Leffel suggested he submit his suggestions to staff beforehand and she would do the same. She also supported this resolution.

No Public Comments.

Review 1. Resolution No. 1841, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and KBM Hogue

Executive Director La Pier introduced Resolution No. 1841 that approves buying furnishings for the gate area. Deputy Executive Director Morello reported the District Only project of painting was well below budget, so we amended the Capital Improvement Plan (CIP) to add increased seating for the hold room, made more necessary since we got the A319 aircraft. Deputy Executive Director Morello stated the Airport participates in three cooperative purchasing organizations for public sector procurement. The cooperative contracts are competitively solicited and publicly awarded by a government entity serving as the lead agency. We used this procurement mechanism and worked with KBM Hogue, as the local provider of furnishing for airports, on design and pricing. Deputy Executive Director Morello referred to concept renderings and reviewed the proposed placement of new counter seating.

Directors discussed the proposed placement, limited capacity for electrical outlets, and the area in closest proximity to TSA and how it might be used. Director Leffel asked about ADA accessibility and Deputy Executive Director Morello stated it complies. Director Leffel suggested we might investigate additional seating within the TSA boundaries and consider designating a section outside the café as an area where alcohol consumption is allowed.

Director Sabo asked if this is a net increase in seating, given that we are taking out the tables outside of the café. Deputy Executive Director Morello answered yes; we're adding about 25 more seats in total. Director Sabo asked if the counters would face a wall. Deputy Executive Director Morello answered all are looking outside except Gate 2. Director Sabo supported and will recommend it to the board.

Director Sabo asked if there was a vendor that was more local in the purchasing co-op. Deputy Executive Director Morello stated this is the only one in the cooperative and there are no local vendors that have the purchasing authority for furniture specific to aviation, regardless of co-op discount.

No Public Comment.

Director Leffel will recommend to the board.

Review 3. FYTD 2023 Statements

Controller Wilson reviewed the January 2023 Financial Statements. He reported he added language under "Liquidity" that details the grants that have been received to date.

Controller Wilson reported he and Executive Director La Pier looked at cash needs over the next six months and have invested reserves in T-bills that are laddered at 60, 90, 120, and 180 days. The blended rate is close to 5%.

Controller Wilson reported January revenues are higher than expected primarily due to a transfer of \$96,000 from the balance sheet, credited to income. That \$96,000 was an obligation to Del Monte Aviation that was eliminated in the restated and consolidated agreement with Monterey Fuel Company.

Director Sabo asked for particulars on the increase in yields as compared to our previous investment vehicle. Controller Wilson answered it is almost 300 basis points.

Director Sabo asked questions about rental cars, an uptick in professional services against budget and what legal services District Counsel bills outside his monthly retainer. Executive Director La Pier stated most of the variance is due to District Counsel getting caught up on their billing.

Director Sabo asked questions about the net pension liability plan. Executive Director La Pier noted we paid the pension obligation bond down; this is the net pension liability in the future according to CalPERS. Controller Wilson added it is recast every year based on the new actuarial calculations that were done.

Director Sabo asked additional questions about individual expenditures. There was a discussion about water usage and the fact it is a function of usage of all tenants and passengers. Deputy Executive Director Morello noted water usage goes up the better our tenants do.

Review 4. Variance Analysis - MTD and YTD

Director Sabo asked about the variance in licensing fees. Controller Wilson answered it was a timing issue.

Review 5. Accounts Receivable Aged Invoice Report

Director Sabo asked for explanations on the past due Accounts Receivable. Controller Wilson stated District Counsel Huber is handling one and the other we are working with.

Review 6. Grant Funds Balance

No discussion.

Discuss 7. General Discussion

Executive Director La Pier gave an overview of the priorities and strategies for funding the Capital Improvement Plan (CIP), saying most of the CIP will be based on the Safety Enhancement Plan. There are only two other projects under consideration.

Executive Director La Pier reviewed the CIP process saying we are looking for every possible funding dollar. The strategy is to find as many outside sources as possible. Director Sabo asked if a project can be on the CIP if we don't know how it is going to be paid for. Executive Director La Pier answered that the CIP budget is based on projects necessary in the following year. Approving the CIP gives staff the authority to bring the contract back to the board. The funding source could be unidentified. But the board is not approving the expenditure. If we don't get funding, then we don't bring it to the board. The CIP is a plan, not an expenditure. There was a discussion about the process.

Executive Director La Pier gave an overview of the operations budgeting strategy. There was a discussion about compensation, total benefits, proposed new positions, and the intention to have maintenance on property seven days a week.

Executive Director La Pier discussed ideas for additional revenues and the need to replace revenues lost by shutting down the outside storage as part of the environmental work that needs to be done. He intends to have a Rates and Charges breakout discussion during a special Finance Committee meeting.

Director Sabo asked about the budget models based on the uncertainty of the economy. Controller Wilson reported he will build a model that has some sensitivities to it so we can switch between scenarios: realistic, pessimistic, and optimistic.

E. ADJOURNMENT

The meeting adjourned at 11:20 AM.

*Approved at the
Meeting of April 27, 2023*

William Sabo, Chair Pro Tem

A T T E S T

*Michael La Pier, AAE
District Secretary*

MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

March 15, 2023 - 9:00 AM

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A. CALL TO ORDER/ROLL CALL

Chair Sawhney called to order the Regular Meeting of the Monterey Peninsula Airport District Board of Directors at 9:02 AM. Directors Pick, Leffel, Sabo and Miller were present. The following staff were present: Executive Director La Pier, District Counsel Huber, Acting Board Secretary Adams, Deputy Executive Director Morello, and Controller Wilson.

B. PLEDGE OF ALLEGIANCE

Executive Director La Pier led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Executive Director La Pier reported on the operations of the Airport during the recent power outage.

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Paul Bruno, a member of the public and pilot, commented on the new hangar rent rates being a concern to many. He suggested the cost of moving the hangars should be considered part of the cost of building the new terminal building; he would like to see the cost decoupled from the projected rent for the new hangars. Mr. Bruno also suggested a market comparison be done that considers commercial vs. municipal rates.

John Gaglioti, a member of the public and a pilot, commented he supports the new plan but wants to make sure the Airport continues to support the General Aviation (GA) community too; Monterey Airport is a pilot's airport, and a thriving GA community is important to him.

Mr. Hodges, a member of the public and GA pilot, commented MRY is unique in that it is a successful commercial airport and has a thriving GA community also, and he would hate to see that change. But if the rent is too high the smaller aircraft will be replaced by larger, out of town, aircraft who will not be as supportive of the Airport.

David Dickins, a member of the public and AOPA Liaison to the Airport, read the following statement:

- Monterey Pilots now has 34 members and includes 18 SE Airport hangar tenants.
- We didn't request this move – it's been forced on us through no fault of our own.
- A sharp increase in hangar rents cannot be readily absorbed by the existing tenants.
- If adopted by the board, the \$750 cost recovery figure mentioned at the January meeting (essentially doubling our rent) will force the majority of the existing tenants to leave MRY.
- A better approach is to find a way to raise rates gradually. For example, existing leases negotiated between the Airport District and Monterey Fuel Company specify a 7% cap on annual rent increases.
- We want to work with the Board to avoid rate shock and maintain the stability of nearly full occupancy and uninterrupted income.
- We are asking the board to set reasonable rates for the new hangars that will ensure that existing tenants are transferred fairly at rents that are not based simply on covering new build costs within a set time frame.

Ron Rohde, a member of the public and hangar tenant, commented that he and Yoshimi Allard maintain a plane at the Southeast hangars and, with rent, fuel, training, etc., they have contributed over \$100k to the Airport over the last two decades. He is aware of the fiduciary duty for assets and respectfully submitted there is no grounds to increase rents more than normal increases.

Yoshimi Allard, a member of the public and hangar tenant, commented that MRY has a great community of pilots. They meet, train themselves, and contribute to the safety of flight. She is sad to see this community of pilots looking elsewhere.

District Counsel Huber commented that we had a report of non-aviation use of hangars. He wanted the Public to know that there is an annual hangar inspection, but when we get a complaint we inspect the hangar immediately. In addition to the hangars owned by the Airport, there are hangars owned by Monterey Fuel Company and NSSI and he will work with them to correct any compliance issues.

E. CONSENT AGENDA - ACTION ITEMS

- | | |
|---------|--|
| Approve | 1. Minutes of the Regular Board Meeting of February 15, 2023 |
| Approve | 2. Minutes of the Air Carrier Service – Marketing – Community Relations Committee Meeting of March 08, 2023 |
| Adopt | 3. Ordinance No. 930, An Ordinance of the Monterey Peninsula Airport District Repealing in its Entirety Ordinance 926 and Adopting by Reference the 2022 California Building Standards Code, Title 24, as Adopted by the California Building Standards Commission; and the 1997 Uniform Code for the Abatement of Dangerous Buildings, the 1997 Uniform Housing Code, and the 2012 International Property Maintenance Code as Published by the International Conference of Building Officials, Regulating the Erection, Construction, Enlargement, Alteration, Repair, Moving, Removal, Demolition, Conversion, Occupancy, Equipment, Use, Height, Area, and Maintenance of All Buildings or Structures in the Monterey Peninsula Airport; Adopting by Reference Part 9, California Fire Code Including the Appendix |

Chapters of the California Code Of Regulations Title 24; and Providing for Penalties for the Violation Thereof.

Adopt 4. Proclamation Recognizing Women's History Month

Adopt 5. Proclamation Recognizing Director Leffel's Lifetime Achievement Award

Director Leffel moved to approve the Consent Agenda items. Chair Sawhney pulled Item E.1, E.2, E.4, and E.5. Director Leffel modified her motion to approve Item E.3. Director Miller seconded the modified motion. Item E.3 was approved unanimously with a roll call vote of 5-0.

**MONTEREY PENINSULA AIRPORT DISTRICT
ORDINANCE NO. 930**

AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT REPEALING IN ITS ENTIRETY ORDINANCE 926 AND ADOPTING BY REFERENCE THE 2022 CALIFORNIA BUILDING STANDARDS CODE, TITLE 24, AS ADOPTED BY THE CALIFORNIA BUILDING STANDARDS COMMISSION; AND THE 1997 UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS, THE 1997 UNIFORM HOUSING CODE, AND THE 2012 INTERNATIONAL PROPERTY MAINTENANCE CODE AS PUBLISHED BY THE INTERNATIONAL CONFERENCE OF BUILDING OFFICIALS, REGULATING THE ERECTION, CONSTRUCTION, ENLARGEMENT, ALTERATION, REPAIR, MOVING, REMOVAL, DEMOLITION, CONVERSION, OCCUPANCY, EQUIPMENT, USE, HEIGHT, AREA, AND MAINTENANCE OF ALL BUILDINGS OR STRUCTURES IN THE MONTEREY PENINSULA AIRPORT; ADOPTING BY REFERENCE PART 9, CALIFORNIA FIRE CODE INCLUDING THE APPENDIX CHAPTERS OF THE CALIFORNIA CODE OF REGULATIONS TITLE 24; AND PROVIDING FOR PENALTIES FOR THE VIOLATION THEREOF.

NOW, THEREFORE, the Board of Directors of the Monterey Peninsula Airport District DO ORDAIN as follows:

SECTION 1: Repeal. That Ordinance No. 926 entitled "AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT REPEALING IN ITS ENTIRETY ORDINANCE 921 AND ADOPTING BY REFERENCE THE 2022 CALIFORNIA BUILDING STANDARDS CODE, TITLE 24, AS ADOPTED BY THE CALIFORNIA BUILDING STANDARDS COMMISSION; AND THE 1997 UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS, THE 1997 UNIFORM HOUSING CODE, AND THE 2012 INTERNATIONAL PROPERTY MAINTENANCE CODE AS PUBLISHED BY THE INTERNATIONAL CONFERENCE OF BUILDING OFFICIALS, REGULATING THE ERECTION, CONSTRUCTION, ENLARGEMENT, ALTERATION, REPAIR, MOVING, REMOVAL, DEMOLITION, CONVERSION, OCCUPANCY, EQUIPMENT, USE, HEIGHT, AREA, AND MAINTENANCE OF ALL BUILDINGS OR STRUCTURES IN THE MONTEREY PENINSULA AIRPORT; ADOPTING BY REFERENCE PART 9, CALIFORNIA FIRE CODE INCLUDING THE APPENDIX CHAPTERS OF THE CALIFORNIA CODE OF REGULATIONS TITLE 24, 2013 EDITION OF THE CALIFORNIA BUILDING STANDARDS; AND PROVIDING FOR PENALTIES FOR THE VIOLATION THEREOF" and all other ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 2: Adoption. The Monterey Peninsula Airport District hereby adopts by reference the 2022 California Building Standards Code, Title 24, as adopted by the California Building Standards Commission, which includes the 2022 California Administrative Code, the 2022 California Building

Code, the 2022 California Residential Code, the 2022 California Electrical Code, the 2022 California Mechanical Code, the 2022 California Plumbing Code, the 2022 California Energy Code, the 2022 California Historical Building Code, the 2022 California Fire Code, the 2022 California Existing Building Code, the 2022 California Green Building Standards Code, the 2022 California Referenced Standards Code, the 1997 Uniform Code for the Abatement of Dangerous Buildings, and the 2012 International Property Maintenance Code. A true and correct copy of the 2022 California Building Standards Code as adopted by this section shall be on file in the office of the Secretary of the Monterey Peninsula Airport District for examination and use by the Public.

SECTION 3: The California Fire Code, 2022 edition, including Appendix Chapters, is hereby adopted as the Fire Code of the Monterey Peninsula Airport District, regulating and governing the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of building and premises as herein provided; providing for the issuance of permits and collection of fees thereof; and each and all of the regulations, provisions, penalties, conditions and terms of said Fire Code on file in the office of the Monterey Peninsula Airport District are hereby referred to, adopted, and made a part thereof, as if fully set out in this Chapter.

SECTION 4: That any person, firm or corporation violating any provision of the code adopted hereby or failing to comply therewith, or violating or failing to comply with any order made thereunder, or who shall build in violation of any detailed statement of specifications or plans submitted and approved thereunder, or any certificate or permit issued thereunder shall be deemed guilty of a misdemeanor or infraction, whichever may be charged, and, upon conviction thereof, shall be punishable by a fine not to exceed One Thousand Dollars (\$1,000) or by imprisonment in the county jail for not to exceed six (6) months, or both fine and imprisonment. Each separate day or portion thereof, during which any violation occurs or continues, shall be deemed to constitute a separate offense. The imposition of any one penalty for any violation shall not excuse the violation or permit it to continue and all such violations shall be corrected or remedied by the person, firm, or corporation responsible for the violation within a reasonable time. The application of any penalties provided for above shall not be held to prevent the enforced removal of any violation of the code hereby adopted.

SECTION 5: Compliance with the California Environmental Quality Act: The Board of Directors finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 6: Severability: If any section provision, of this Ordinance or the application thereof to any person or circumstances is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction or preempted by state legislation, such decision or legislation shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause or phrase hereof not declared invalid or unconstitutional without regard to any such decision or preemptive legislation.

This ordinance shall take effect on the 30th day after its adoption.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 15th day of March, 2023 by the following roll call vote:

| | | |
|-----------------|-------------------|-------------------------------------|
| AYES: | DIRECTORS: | Pick, Leffel, Sabo, Miller, Sawhney |
| NOES: | DIRECTORS: | None |
| ABSTAIN: | DIRECTORS: | None |
| ABSENT: | DIRECTORS: | None |

F. DEFERRED CONSENT AGENDA - ACTION ITEMS

Chair Sawhney stated she pulled the Minutes of the Regular Board Meeting of February 15, 2023 because Item E., Appointment of Committees, subsection b., Ad Hoc Committee, Local Jurisdiction Liaison, should read Director Sawhney and Director Leffel, instead of referring to Director Leffel as an Alternate. Director Pick moved to approve the Minutes of the Regular Board Meeting of February 15, 2023 with the correction noted by Chair Sawhney. Director Leffel seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Chair Sawhney stated she pulled the Minutes of the Air Carrier Service – Marketing – Community Relations Committee Meeting of March 08, 2023 because she disagreed with them and moved to continue the approval of these minutes to the next meeting. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Chair Sawhney stated Items E.4 and E.5 were pulled in order to recognize both Proclamations and present Director Leffel with hers. Director Miller moved to approve Items E.4 and E.5. Director Pick seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Chair Sawhney read the Proclamation Recognizing Director Leffel’s Lifetime Achievement Award and presented her with a bouquet of flowers.

G. REGULAR AGENDA - ACTION ITEMS

Discuss 1. Strategic Planning Report Review and More Efficient Board Meetings

Chair Sawhney asked to defer this item until after Closed Session.

Receive 2. Quarterly Update by Chris Chidlaw, Chidlaw Marketing

Chair Sawhney asked to remove this item and continue it to next month because suggestions made at the Air Carrier Service – Marketing – Community Relations Committee for changes were not made. Executive Director La Pier stated we are taking those suggestions under advisement going forward. Directors discussed Chair Sawhney’s request and concurred we would continue with Item G.2 today.

Chris Chidlaw, Chidlaw Marketing, gave a presentation informing the Board about Public Relations and Advertising activities over the last three months.

A break was taken at 10:08 AM.

The meeting was reconvened at 10:16 AM.

Directors discussed the presentation and asked questions of Mr. Chidlaw. Amanda Auker, Social Media Specialist, was in attendance and also answered questions. Directors complimented Mr. Chidlaw.

No Public Comment.

Approve 3. Resolution No. 1841, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and KBM Hogue

Directors agreed to consider Item G.3 after Closed Session in deference to members of the public attending for Item G.5 and those waiting to comment prior to Closed Session.

Approve 4. Resolution No. 1842, A Resolution Approving the State of California Department of Transportation ("Cal Trans") California Airport Loan Agreement

Directors agreed to consider Item G.4 after Closed Session in deference to members of the public attending for Item G.5 and those waiting to comment prior to Closed Session.

Approve 5. Resolution No. 1843, A Resolution Accepting an Avigation Easement Agreement from Kenneth Eugene Slama, Trustee of the Kenneth Eugene Slama Revocable Trust

District Counsel Huber introduced Item G.5. Director Leffel moved to approve Resolution No. 1843, A Resolution Accepting an Avigation Easement Agreement from Kenneth Eugene Slama, Trustee of the Kenneth Eugene Slama Revocable Trust. Director Pick seconded the motion.

Brent Slama, a member of the public and Grantor of the avigation easement, commented there are other properties they own in the area, and they want to work well with the Airport. They, as developers, want their residents to know what they are getting into. There are more avigation easement agreements to come, and he would welcome anything that could be done to make the process more administrative.

Directors asked questions about the project and discussed the reasons for the Avigation Easement Agreement.

The motion passed unanimously by a roll call vote of 5-0.

RESOLUTION NO. 1843

A RESOLUTION ACCEPTING AN AVIGATION EASEMENT AGREEMENT FROM KENNETH EUGENE SLAMA, TRUSTEE OF THE KENNETH EUGENE SLAMA REVOCABLE TRUST

WHEREAS, Kenneth Eugene Slama, Trustee of the Kenneth Eugene Slama Revocable Trust dated July 18, 2006 ("Grantor"), is the owner in fee of certain real property with an address of 2300 Garden Road, in the City of Monterey, County of Monterey, State of California, described in Exhibit "A" to the Grant of Avigation Easement Agreement and incorporated herein by reference ("Property"); and

WHEREAS, District is the owner and operator of the Monterey Regional Airport ("Airport"), and as incident to the conducting of operations of the Airport by the District, properties situated in close proximity to the Airport may be subject to noise, the flight of low-flying aircraft within their airspace, and other effects associated with the operation of an airport; and

WHEREAS, The Property is situated within close proximity of the Airport, and Grantor desires to develop the Property for residential use; and

WHEREAS, The City of Monterey, CA is considering approval for a housing conversion from commercial property and requires the granting of an avigation easement in favor of the District as a condition of approval.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: That the Executive Director is hereby authorized to execute such agreement and easement on behalf of the District and that the District Secretary or designee is authorized to affix thereto the official seal of the District.

AND BE IT FURTHER RESOLVED that the Secretary or the Acting Secretary of the Airport District is authorized and directed to record said avigation easement with the Monterey County Recorder’s Office.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 15th day of March 2023 by the following roll call vote:

| | | |
|-----------------|-------------------|--|
| AYES: | DIRECTORS: | Pick, Leffel, Sabo, Miller and Sawhney |
| NOES: | DIRECTORS: | None |
| ABSTAIN: | DIRECTORS: | None |
| ABSENT: | DIRECTORS: | None |

H. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

Standing Committees:

- | | |
|---|----------------------------|
| i. Budget and Finance | Directors Sabo & Leffel |
| ii. Air Service, Marketing, Community Relations | Directors Sawhney & Pick |
| iii. Airport Property Development and Leases | Directors Sawhney & Miller |

b. Ad-Hoc Committees:

- | | |
|-------------------------------|--------------------------|
| i. Local Jurisdiction Liaison | Director Sawney & Leffel |
|-------------------------------|--------------------------|

c. Liaison/Representatives:

- | | |
|---|------------------|
| i. Local Agency Formation Commission | Director Leffel |
| ii. Regional Taxi Authority | Director Pick |
| iii. Transportation Agency for Monterey County | Director Sabo |
| iv. Special Districts Association Liaison | Director Sawhney |
| v. Association of Monterey Bay Area Governments | Director Miller |

Directors agreed to report out from Committee after Closed Session.

I. CLOSED SESSION

1. Pursuant to Government Code section 54956.8, the Board will meet with Real Property Negotiators, Executive Director and General Counsel, regarding a portion of the property commonly known as APN Number 013-221-020-000.

2. Pursuant to Gov. Code 54957.6(b)(2), the board will meet with the Executive Director and General Counsel related to potential exposure to litigation: one case.

District Counsel Huber gave a recap of each Closed Session item. In response to a question, he stated APN Number 013-221-020-000 is 1600 Airport Road.

Gaudenz Panholzer, Fire Chief, Monterey Fire Department, commented that the Monterey Fire Department made a huge commitment to the Airport District nearly 10 years ago to provide fire services and meet all FAA requirements. He emphasized how they've worked with the Airport in the past. However, he stated that moving the building to the north side changes the value it can provide to the local community. He noted conversations have started in order to see if there are ways to leverage that side of the Airport to be of more benefit to the communities and, if that happened, they would come back to the Airport to talk about rebalancing the costs. Chief Panholzer stated the proposal submitted answered the immediate request they received through the RFP. Chief Panholzer then made additional comments about the strengths of the Monterey Fire Department and benefits of the Airport utilizing the them as their Fire Services provider.

Pat Moore, President of the Monterey Firefighters Local 3707, commented he speaks for operations, and they hope to continue to provide the Airport with the highest level of service they can.

Directors entered Closed Session at 11:55 AM.

J. RETURN TO OPEN SESSION

Directors returned to Open Session at 2:21 PM. Chair Sawhney was temporarily absent. Chair Pro Tem Sabo called the meeting back to order. District Counsel Huber reported direction was given to Staff to hold a Special Board meeting on April 5th at 10:00 AM and to invite the proposal parties to attend.

G. REGULAR AGENDA - ACTION ITEMS (CONTINUED)

- Approve 3. Resolution No. 1841, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and KBM Hogue

Director Leffel moved to approve Resolution No. 1841, A Resolution Authorizing and Approving the Service Agreement between the Monterey Peninsula Airport District and KBM Hogue. Director Pick seconded the motion.

No Public Comment.

The motion passed unanimously by a roll call vote of 4-0 with Chair Sawhney absent.

RESOLUTION NO. 1841

A RESOLUTION AUTHORIZING AND APPROVING THE SERVICE AGREEMENT BETWEEN THE MONTEREY PENINSULA AIRPORT DISTRICT AND KBM HOGUE

WHEREAS, the Monterey Peninsula Airport District (MPAD) owns and operates the Monterey Regional Airport; and

WHEREAS, to better accommodate the passenger increase of the mainline American Airlines service, staff evaluated additional west hold room counter seating to increase passenger seating options; and

WHEREAS, the adoption of the Fiscal Year 2023 Amended Capital Improvement Program (CIP) budget includes a project for West Hold Room Upgrades; and

WHEREAS, the Airport participates in three cooperative purchasing organizations for public sector procurement and staff have worked with a local firm that participates in these competitive solicitation organizations to design and provide cost estimates for these improvements.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: That the Monterey Peninsula Airport District contract with KBM Hogue for a total amount not-to-exceed \$110,000.00 and directs the Executive Director of the District, or his designee, to execute the purchase order.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 15th day of March 2023 by the following roll call vote:

| | | |
|-----------------|-------------------|----------------------------|
| AYES: | DIRECTORS: | Pick, Leffel, Sabo, Miller |
| NOES: | DIRECTORS: | None |
| ABSTAIN: | DIRECTORS: | None |
| ABSENT: | DIRECTORS: | Sawhney |

Approve 4. Resolution No. 1842, A Resolution Approving the State of California Department of Transportation ("Cal Trans") California Airport Loan Agreement

Chair Sawhney rejoined the meeting at 2:23 PM. Director Pick moved to approve Resolution No. 1842, A Resolution Approving the State of California Department of Transportation ("Cal Trans") California Airport Loan Agreement. Director Leffel seconded the motion. Director Sabo reported the Finance Committee reviewed this item and endorsed it.

No Public Comment.

The motion passed unanimously by a roll call vote of 5-0.

RESOLUTION NO. 1842

A RESOLUTION APPROVING THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION CALIFORNIA AIRPORT LOAN AGREEMENT

WHEREAS, the Monterey Peninsula Airport District ("District") has passed and adopted Resolution No. 1837 authorizing the submittal of an application with the California Department of Transportation, for a state airport loan for the purchase of the Northside Hangars; and

WHEREAS, the application with the California Department of Transportation state airport loan has been applied for and has been approved by the California Department of Transportation's Aeronautics Division as California Airport Loan Agreement Mon-1-23-L-1, for \$3,740,958.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE

MONTEREY PENINSULA AIRPORT DISTRICT: that the Board of Directors of the Monterey Peninsula Airport District, Monterey in the State of California:

- 1. Authorizes execution of the California Airport Loan Agreement Mon-1-23-L-1. A copy is attached hereto as Exhibit "A".

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 15th day of March, 2023 by the following roll call vote:

AYES: DIRECTORS: Pick, Leffel, Sabo, Miller & Sawhney
NOES: DIRECTORS: None
ABSTAIN: DIRECTORS: None
ABSENT: DIRECTORS: None

Discuss 1. Strategic Planning Report Review and More Efficient Board Meetings

Chair Sawhney recommended Item G.1 be discussed at the next regular meeting of the board. Directors Pick and Miller concurred.

H. BOARD COMMITTEE REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

Standing Committees:

- i. Budget and Finance Directors Sabo & Leffel
- ii. Air Service, Marketing, Community Relations Directors Sawhney & Pick
- iii. Airport Property Development and Leases Directors Sawhney & Miller

b. Ad-Hoc Committees:

- i. Local Jurisdiction Liaison Director Sawney & Leffel

c. Liaison/Representatives:

- i. Local Agency Formation Commission Director Leffel
- ii. Regional Taxi Authority Director Pick
- iii. Transportation Agency for Monterey County Director Sabo
- iv. Special Districts Association Liaison Director Sawhney
- v. Association of Monterey Bay Area Governments Director Miller

Chair Sawhney asked Chair Pro Tem to continue to chair the meeting as she needed to leave the meeting soon.

Director Sabo reported for Finance Committee. Director Sawhney reported for Air Service Committee. Director Miller reported for Lease Committee.

Chair Sawhney reported there is a request for the Ad Hoc Local Jurisdiction Committee to have a meeting.

Director Leffel reported on LAFCO budget meetings and their expected increases, which is less than she reported at the last regular meeting. She reported the next board meeting is March 27th.

Director Pick reported there was no Regional Taxi Authority meeting.

Director Sabo reported on the TAMC meeting.

Director Sawhney stated there was nothing this month for Special Districts.

Director Miller reported on the two AMBAG committee meetings he attended.

Director Pick and Chair Sawhney excused themselves from the meeting at 2:33 PM. Chair Pro Tem Sabo continued to chair the meeting.

K. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- Drone and Balloon Update

L. DISCUSSION OF FUTURE AGENDAS

- *Review of Rates and Charges as Part of the Budget*
- *Report Out on Emergency Procedures & Preparedness*

Director Leffel moved to add both items as pending requests for future agenda items. Director Sabo seconded. No vote was necessary.

M. ADJOURNMENT

The meeting adjourned at 2:37 PM.

*Approved at the
Meeting of April 27, 2022*

William Sabo, Chair Pro Tem

A T T E S T

*Michael La Pier, AAE
District Secretary*

MINUTES OF THE SPECIAL MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

April 5, 2023 - 10:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, remote comments will not be allowed, except as outlined in the limited circumstances below.

The Monterey Peninsula Airport District will continue to broadcast the Board Meetings via Zoom video conference for viewing by the public. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **831 7098 4092**. If you do not have access to the internet, you may listen telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

In the event that a Board Member utilizes the procedure outlined in AB 2449 to attend a meeting, only then will remote public comments be allowed. Under those circumstances, when the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Members of the public who desire to make a public comment can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

Chair Pro Tem Sabo called to order the meeting of the Monterey Peninsula Airport District Board of Directors at 10:03 AM. Directors Pick, Leffel, and Miller were present. Director Sawhney was absent. The following staff were present: Executive Director La Pier, District Counsel Huber, Acting Board Secretary Adams, Deputy Executive Director Morello, and Controller Wilson.

B. PLEDGE OF ALLEGIANCE

Director Pick led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Chair Pro Tem Sabo announced Director Sawhney was absent due to a family medical issue and might join later by videoconference.

Chair Pro Tem Sabo received guidance from District Counsel Huber regarding the possibility of approving Director Sawhney to attend remotely due to emergency circumstances, as allowed by AB 2499. District Counsel Huber explained the process included first adding an agenda item, which requires a 4/5 vote of those in attendance, since this item came to the attention of Airport staff subsequent to posting of the agenda for this April 5, 2023 meeting. Pursuant to Gov. Code 54954.2, staff is requesting that the Board add Item C.1, pursuant to the Brown Act as amended by AB 2449, to consider approving the emergency medical circumstances to allow this board member to attend this meeting virtually due to medical emergency. Chair Miller made that motion. Director Pick seconded.

Public Comment was made by Hans Uslar, City of Monterey, CA, City Manager. Mr. Uslar commented he would be curious when Chair Sawhney joins the meeting if she will have had the benefit of the presentations. If not, he would consider whether she is able to weigh in and comment.

The motion failed by a 3-1 roll call vote with Director Leffel voting no. District Counsel Huber announced Director Sawhney could view the board meeting by videoconference but not participate.

D. REGULAR AGENDA - ACTION ITEMS

Presentation 1. City of Monterey Fire Department (10:00 AM – 10:15 AM)

Executive Director La Pier reported each entity has been asked to provide the other with the courtesy of not attending the other parties' presentation. He asked if there was anyone from Pro-Tec Fire Services in the room, that they please leave.

Hans Uslar, City Manager of Monterey, CA introduced Gaudenz Panholzer, Monterey Fire Chief, who gave a presentation regarding the City of Monterey Fire Department Fire Services Proposal. Chief Panholzer reviewed, among other things, the City of Monterey Fire Department prior service agreement, the current contract that started out at a higher price and then employed a projection true up method of pricing, and the fact they are still exploring if they can find ways to create more benefit for the City of Monterey from the location of the new AARF facility and thus reduce costs.

Interview 2. City of Monterey Fire Department (10:15 AM – 10:30 AM)

Directors discussed the proposal and asked questions of Chief Panholzer.

Scheduled Break from 10:30 AM – 10:45 AM

A break was taken at 11:09 AM. The meeting reconvened at 11:15 AM.

Presentation 3. J.J. Protective Services, Inc. d/b/a Pro-Tec Fire Services, Ltd. (10:45 AM – 11:00 AM)

Chair Pro Tem Sabo asked that City of Monterey Fire personnel please leave the room as a courtesy to J.J. Pro-Tec Fire Services, Ltd. Several members of Monterey Fire remained.

Chief Dan Diehl of Pro-Tec Fire Services introduced himself and gave a presentation regarding the Pro-Tec Fire Services, Ltd. Fire Services Proposal. Chief Diehl reviewed the services they propose to provide to the Airport on a regular basis. He introduced Chief Sean Edwards, currently Chief of Idaho Falls, ID, who is proposed to be the Monterey Peninsula Airport District Fire Chief.

Interview 4. J.J. Protective Services, Inc. d/b/a Pro-Tec Fire Services, Ltd. (11:00 AM – 11:15 AM)

Directors discussed the proposal and asked questions of Chief Diehl and Chief Edwards.

Direct 5. Provide Direction to Staff for Airport Fire & Related Emergency Services

Public Comments:

Rick Rodewald, a citizen of Del Rey Oaks and retired firefighter, expressed his concern about future mutual aid and asked the board to consider that it is about what a station can provide, as well as take, in the way of mutual aid for all risks, not just one risk.

Anthony Melendrez, a resident of Monterey and retired firefighter who was stationed for a time at San Jose Mineta International Airport, expressed concern for a new entity being mediocre as compared to the above and beyond qualifications of the known entity at the Airport now.

Josh Hostetter, President of Salinas Firefighters, stated Monterey Fire is 100% union and his concern is that choosing Pro-Tec Fire Services would jeopardize good paying jobs and the mutual aid system.

Andrew Melendrez, a firefighter, commented the minimum on a fire engine is two but that is a low level of service; three or more is standard. He encouraged the board not to choose the least expensive proposal.

Matt Murphy, a Monterey firefighter, and Casanova Oak Knoll neighborhood resident, read a statement that addressed his concerns about level of service, mutual aid, the importance of the firefighters training with other locals, and a private company putting profit before services.

Anthony Shorestein, a Monterey resident, and Monterey Regional Airport firefighter asked the board to consider that the Airport should not decrease protection and service as it increases the size of aircraft.

Jeremy Pratt, a resident of Pacific Grove and local firefighter, spoke to the complexities of mutual aid and the implications of a two-person engine crew.

Ross Pounds, President of Monterey Firefighters Association Local 3707 representing 78 firefighters employed by the City of Monterey who stand committed to MPAD, read a statement that addressed his respect for the RFP process and concern about public safety and local jobs. He encouraged further deliberations on the topic.

Public Comments were closed by Chair Pro Tem Sabo at 12:26 PM.

District Counsel Huber addressed the board and the public regarding remote Public Comment rules under the Brown Act and AB 2449.

Chair Pro Tem Sabo acknowledged receipt of Public Comment emailed prior to 8:00 AM this morning that was presented to the board and will be taken into consideration.

A break was taken at 12:29 PM.

The meeting resumed at 12:38 PM.

Directors discussed the proposals. It was the consensus of the board to direct staff to get clarity from both parties on specific areas of their proposals and bring final proposals back to the board.

Adopt 6. Resolution No. 1844, A Resolution Authorizing a Professional Services Agreement with Hellmuth, Obata & Kassabaum, Inc. (HOK) for Design of the Relocated Passenger Terminal Complex

Executive Director La Pier introduced Item D.6 stating the agreement was provided by HOK but was reviewed and modified by District Counsel Huber, it covers the design of the parking lot as well as the terminal building, and we have grant funds available to cover the cost.

Directors discussed the agreement and asked questions of staff and counsel.

Director Leffel moved to adopt Resolution No. 1844, A Resolution Authorizing a Professional Services Agreement with Hellmuth, Obata & Kassabaum, Inc. (HOK) for Design of the Relocated Passenger Terminal Complex. Director Miller seconded the motion. The motion was unanimously approved by a roll call vote of 4-0 with Director Sawhney being absent.

RESOLUTION NO. 1844

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH HELLMUTH, OBATA & KASSABAUM, INC. (HOK) FOR THE DESIGN OF THE RELOCATED PASSENGER TERMINAL COMPLEX

WHEREAS, On November 26, 2018, the Board of Directors of the Monterey Peninsula Airport District (MPAD) approved Resolution No. 1730 certifying Final Environmental Impact Report (EIR) (SCH 2015121105), and Resolution No. 1731, approving Alternative 1 as the Airport Master Plan Project for Monterey Regional Airport; and

WHEREAS, On April 20, 2022, the BOD approved Resolution No. 1819 and certified the Revised Addendum to FEIR for the Minor Project Modifications and approved Resolution No. 1820 the Minor Project Modifications to the MRY Master Plan; and

WHEREAS, On April 20, 2022, the BOD approved Resolution No. 1819 and certified the Revised Addendum to FEIR for the Minor Project Modifications and approved Resolution No. 1820 the Minor Project Modifications to the MRY Master Plan; and

WHEREAS, The FY23 Adopted Capital Improvement Budget contains Project 2023-01 Safety Enhancement Program (SEP) Phase D1 Terminal Design and the approved Airport Capital Improvement Program (ACIP) for FY 2022-2028 includes this SEP project phase; and

WHEREAS, the Monterey Peninsula Airport District (MPAD) has previously submitted an Airport Capital Improvement Program (ACIP) for FY 2021-2025 that includes this Project; and

WHEREAS, On October 21, 2022, the top two ranked teams were invited to a final interview that included the Airport Board of Directors where each Design Entity provided a formal presentation and responded to questions from the Board and following the formal presentation/interview HOK was identified as the lead team choice to submit a Scope of Work (SOW) for the Design of the Relocated Passenger Terminal Complex (Project); and

WHEREAS The Airport has received notice of eligibility for Bipartisan Infrastructure Law (BIL) Entitlement Grants for FY22 and FY23 totaling \$4.28M and in March 2023, the Airport received notice of eligibility for a \$3.0M Grant for Terminal Design under the competitive BIL/ATP process.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: That MPAD contract with Hellmuth, Obata & Kassabaum, Inc. (HOK) to complete the Design of the Relocated Passenger Terminal Complex at a not-to-exceed cost of \$5,999,950.00.

Further, the Recitals above are incorporated in full into this approval.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 5th day of April 2023, by the following roll call vote:

| | | |
|-----------------|-------------------|----------------------------|
| AYES: | DIRECTORS: | Pick, Leffel, Miller, Sabo |
| NOES: | DIRECTORS: | None |
| ABSTAIN: | DIRECTORS: | None |
| ABSENT: | DIRECTORS: | Sawhney |

E. ADJOURNMENT

The meeting adjourned at 1:53 PM.

Approved at the Meeting of April 27, 2022

William Sabo, Chair Pro Tem

A T T E S T

*Michael La Pier, AAE
District Secretary*

MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

April 12, 2023 – 9:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD AND COMMITTEE MEETINGS

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, remote comments will not be allowed, except as outlined in the limited circumstances below.

The Monterey Peninsula Airport District will continue to broadcast the Board Meetings via Zoom video conference for viewing by the public. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **847 7330 1759**. The password for this meeting is: **20230412**. If you do not have access to the internet, you may listen telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

In the event that a Board Member utilizes the procedure outlined in AB 2449 to attend a meeting, only then will remote public comments be allowed. Under those circumstances, when the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Members of the public who desire to make a public comment can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Monterey Peninsula Airport District Budget & Finance Committee was called to order at 9:02 AM. Director Sabo and Director Leffel, Executive Director La Pier, Acting Board Secretary Adams, Deputy Executive Director Morello, and Controller Wilson were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

Director Leffel announced she attended a ribbon cutting for the Premier Valley Bank in Salinas yesterday and the Salinas Chamber of Commerce recognized the Airport.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Revised Monterey Peninsula Airport District On-Airport Rental Car Operator Lease and Concession Agreement

Executive Director La Pier reviewed proposed changes to the Monterey Peninsula Airport District On-Airport Rental Car Operator Lease and Concession Agreement. He reviewed the requests for changes from the operators, which included MAG abatement language, a reduced liquidated damages amount, and that two of them asked to combine their brands into one agreement signed by a parent company, but with the MAG in place for each brand.

Director Leffel asked why there was no fiscal impact expected. Controller Wilson answered they already pay this amount; the concession fees are more than the increased MAG amount. Director Leffel asked

about the business hours, and how we would monitor that. Executive Director La Pier noted the operators all have a key drop, so the flight departure times are not as important as arrival times. He stated we can have the police help monitor the last flight in. The Hours of Operations language in the agreement will be amended prior to being brought to Lease Committee and to the full board.

Director Leffel asked if an auto roll over was standard. Executive Director La Pier answered yes, and there will be a new agreement once we are in the new terminal building because they will be renting a different space. There was a discussion about the timing of the notice period and how long until there would be a new agreement. There were suggestions from Directors Leffel and Sabo regarding the timing matching our fiscal year, instead of a calendar year.

Director Sabo asked if staff proposed the \$1000 penalty as liquidated damages for failing to staff the counter at the appropriate time. Executive Director answered yes, that was approved in the October version of the Agreement. Operators proposed \$250 and we countered with \$500. Director Sabo believes that \$500 is too low; Director Leffel said she would support the change.

Director Sabo asked questions about the base for the MAG abatement being 2022 and expressed his opinion that a 15% major traffic reduction was too generous. He will not recommend the board accept that change.

Director Leffel suggested the agreement start June 1st so there is a 30-day notice of change and for practicality on the security deposit. Executive Director La Pier noted the security deposits will be paid in the month of May and we don't carry deposits as receivables.

Discuss 2. FY 2024 Rates and Charges

Executive Director La Pier turned the floor over to Controller Wilson to review what we are recommending, based on getting in line with the PFM plan of finance.

For the benefit of the public, Controller Wilson shared his screen to show the 2024 Budget and Rates & Charges suggested scenarios for discussion purposes. Controller Wilson reviewed his methodology and stated we used February projections from Landrum & Brown as the base for commercial aviation volume, which is consistent with past years, and then trimmed their estimates by 5% to be conservative.

Controller Wilson stated the PFM plan estimated the amount we need to make to be able to service the expected debt. PFM anticipated a big jump in rates and the philosophy we used is to take two years to get there. Director Leffel asked if we could take three years. Controller Wilson answered PFM contemplated Fiscal Year 2026 debt service. Executive Director La Pier added we need to have the revenue in place to be able to service the debt before going to the bond agencies. Deputy Director Morello reviewed the expected timeline for going to bid and beginning construction of the new terminal building. It was determined we would likely need the loan by early Fiscal Year 2026.

There was a discussion about commercial airline rates and charges, and it was noted that they have always been set by the board, rather than negotiated with the airlines. Executive Director La Pier stated there has not been an increase for eight years and operating costs have gone up.

A break was taken at 10:56 AM. The meeting reconvened at 11:02 AM.

Controller Wilson referred to the chart and reviewed proposed commercial and general aviation rates and charges. He reviewed the debt service requirements for the new hangars, stating \$750 per month is the break even, but the proposal is to get there over three years, instead of two.

Director Leffel asked for an update on the drawdown analysis on the hangar loan. Controller Wilson answered that the initial cost and the reinvestment of those proceeds is not a significant difference. He reported we've signed the agreement and the loan should be funded in 30 days.

There was a discussion about hangar rates on and off the airport for different sizes and types of hangars.

Director Sabo explained his suggestions for taking 6 years to get to the \$750 per month rate. There was a discussion about balancing a phased in price increase that includes a subsidy to the hangar tenants and the obligation to have fair and consistent hangar rates across the airport as well as becoming net neutral on the debt service.

Director Sabo asked that the record note his disagreement with the 3-year approach with regard to the rent for the new hangars and to the airline increases as they were proposed.

Controller Wilson reviewed the rest of the proposed fees, including two proposed new fees. There was a discussion about the new fees proposed.

Public comment was made by Matt Pasztalaniec, a member of the public and an Airport hangar tenant, who said he appreciated the consideration of a stepped increase for the new hangars, but the three-year schedule won't be palatable to some of the current tenants and hangars could go empty.

There was a discussion about possible future increases in parking fees.

There was a discussion about the EV charging rates and expenses.

Director Sabo gave his recommendations regarding the apron fee increases and the hangar rate schedule.

Review 3. FYTD 2023 Statements

Controller Wilson gave an overview of the February FYTD 2023 financial statements.

Review 4. Variance Analysis - MTD and YTD

Director Sabo asked questions about telephone expense, water expense, and the GA landing fees. Executive Director La Pier noted the AT&T Pro Am Golf event positively affected landing fees due to much larger aircraft; rental car income for February was up due to the event also.

Review 5. Accounts Receivable Aged Invoice Report

Controller Wilson gave an update on the RV storage that has been abandoned.

Review 6. Grant Funds Balance

Controller Wilson gave a report on expected future draws.

Discuss 7. General Discussion

Executive Director La Pier gave an update on the investigation into hangars being used for non-aviation purposes.

There was a discussion about the Airport's financial auditors and a recommendation by the committee members to seek an engagement letter.

E. ADJOURNMENT

The meeting adjourned at 1:28 PM.

*Approved at the
Meeting of April 27, 2023*

William Sabo, Chair Pro Tem

A T T E S T

*Michael La Pier, AAE
District Secretary*

MINUTES OF THE AIRPORT PROPERTY DEVELOPMENT & LEASES COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

April 14, 2023 – 9:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD AND COMMITTEE MEETINGS

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A. CALL TO ORDER

The meeting of the Airport Property Development & Leases Committee Meeting was called to order at 9:05 AM. Director Sawhney, Director Miller, Executive Director La Pier, District Counsel Huber, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

Phillip Bezouska, a member of the public and V.P. IAFF Local 3707 read a statement regarding fire and emergency services and his opinion they would be downgraded if the Airport were to choose a private firm over Monterey Fire Services.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. Revised Monterey Peninsula Airport District On-Airport Rental Car Operator Lease and Concession Agreement

Executive Director La Pier reviewed the history of rental car operator agreements and reminded Directors they approved a new agreement in October 2022 to serve as a basis for negotiating with the rental car operators. He reviewed the points of negotiation and the changes being proposed to the October 2022 agreement.

Directors discussed the Agreement. Director Sawhney asked about the cost of auditing the operator's reports. Controller Wilson referred to section 11.3 of the agreement which states the Airport pays the audit costs unless there is a +/- 3% discrepancy.

Director Miller suggested the board might like to see a redline version of the changes to the Agreement if one was available. He asked if the Finance Committee had already reviewed the agreement and Executive Director La Pier answered they had.

Discuss 2. FY 2024 Rates and Charges

Controller Wilson reported the rates and charges provided are for discussion purposes only in the context of budgeting. The proposed rate changes are based on the PFM Plan of Finance for the assumed costs of the Safety Enhancement Plan including the new terminal building. Executive Director La Pier reminded Directors of the two-day workshop held last year where the plan of finance was presented. Controller Wilson added that some suggested rate increases are because the market rates have increased. The Airport has not increased rates and charges since 2016.

Director Sawhney asked about comparisons to other airports. Executive Director La Pier answered that in 2016 our rates were well above our comp airports; the market is now above us. Controller Wilson shared information on current comps.

There was a discussion about growth plans, current airline activities as it relates to increased seat availability, and the assumptions about enplanements used in the plan of finance.

Directors discussed the idea of phasing in the N.E. Box Hangar rent increases over three years. Director Sawhney suggested there be a four-year phase in and the first year be raised less than proposed, so the rate increases would be more similar each year. Executive Director La Pier reminded Directors there is also an obligation for some consistency of rates across the Airport. Director Miller asked if we could treat new tenants differently than the current tenants. Executive Director La Pier answered no; we are required to be "fair and consistent" with rents.

Directors discussed the hangar market, the airport's hangar inventory, and that some hangars were owned by the airport and some by companies that had ground leases.

E. ADJOURNMENT

The meeting adjourned at 10:44 AM.

*Approved at the
Meeting of April 27, 2022*

William Sabo, Chair Pro Tem

A T T E S T

*Michael La Pier, AAE
District Secretary*

AGENDA ITEM: G-1
DATE: April 27, 2023

TO: Monterey Peninsula Airport District Board of Directors
FROM: Michael La Pier, A.A.E., Executive Director
SUBJ: Overview of Current Instrument Procedure Capabilities on Runway 10R/28L

BACKGROUND. On January 21, 2021, the Board of Directors of the Monterey Peninsula Airport District received a presentation providing an overview of the Instrument Procedure Capabilities for Monterey Regional Airport (MRY).

Since that time some of the Board members have changed and technology options continue to evolve. Staff have been working with Lean Technology Corporation to provide an Update on Instrument Procedure and Air Traffic Concepts for Noise Abatement guideline options for MRY.

The presentation will cover the following:

1. Procedure Changes Reviewed by FAA
2. Additional Noise Reduction Concepts Explored between MRY and FAA
3. Remaining Areas for Exploration

ATTACHMENTS.

Lean Corporation Presentation - Update on Instrument Procedure and Air Traffic Concepts for Noise Abatement (25 pages)

Update on Instrument Procedure and Air Traffic Concepts for Noise Abatement

Monterey Regional Airport

27 APR 23



Topics Covered

1. Previous Procedure Changes Under Development by FAA
2. Additional Noise Reduction Concepts Explored between MRY and FAA
3. Remaining Areas for Exploration

Procedure Changes Considered by FAA

- Request from MRY in JUL22 resulted in FAA evaluation of two procedure changes
 - RACEWAY VISUAL RWY 28L
 - RNAV (RNP) Z RWY 28L

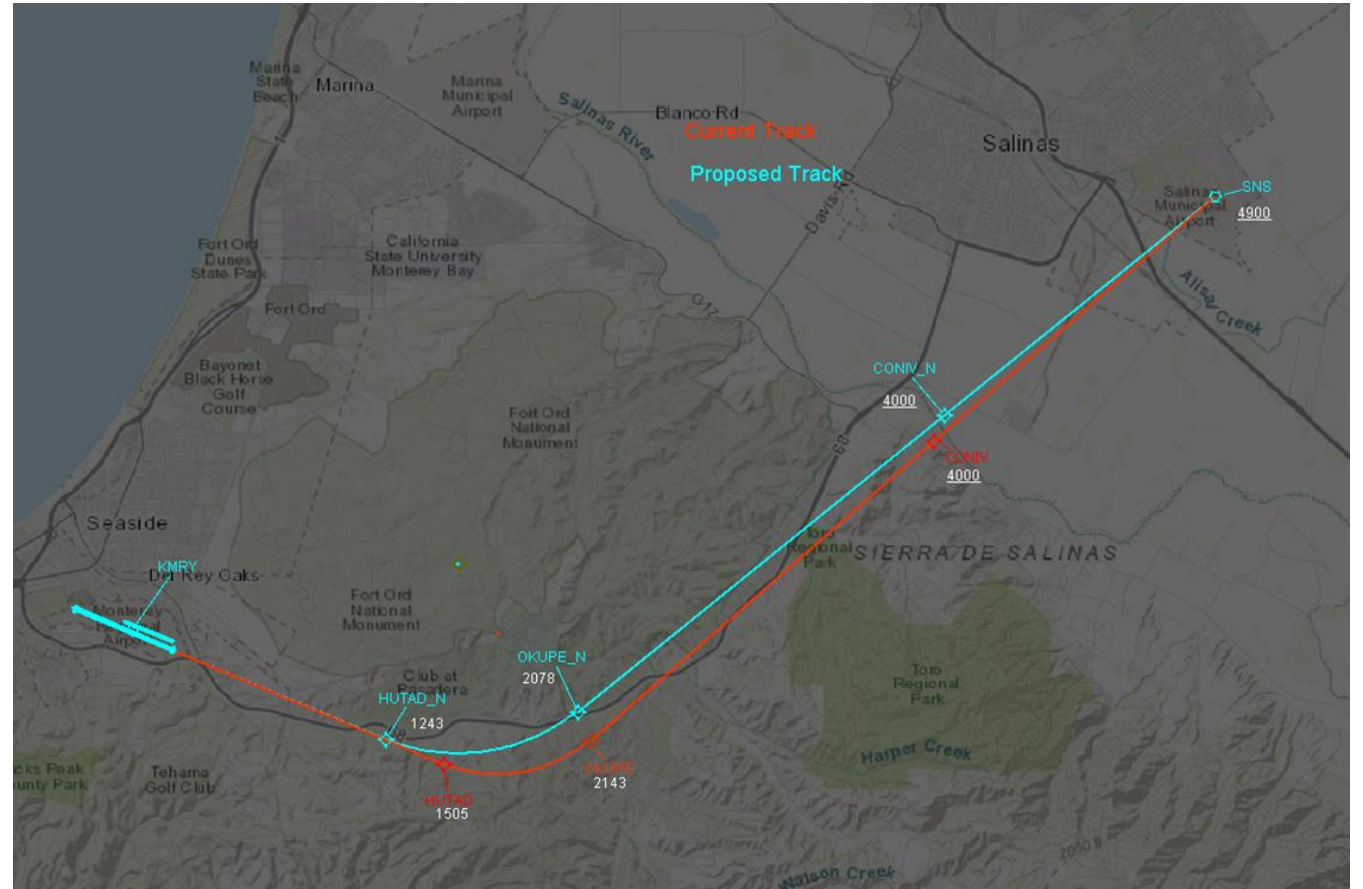
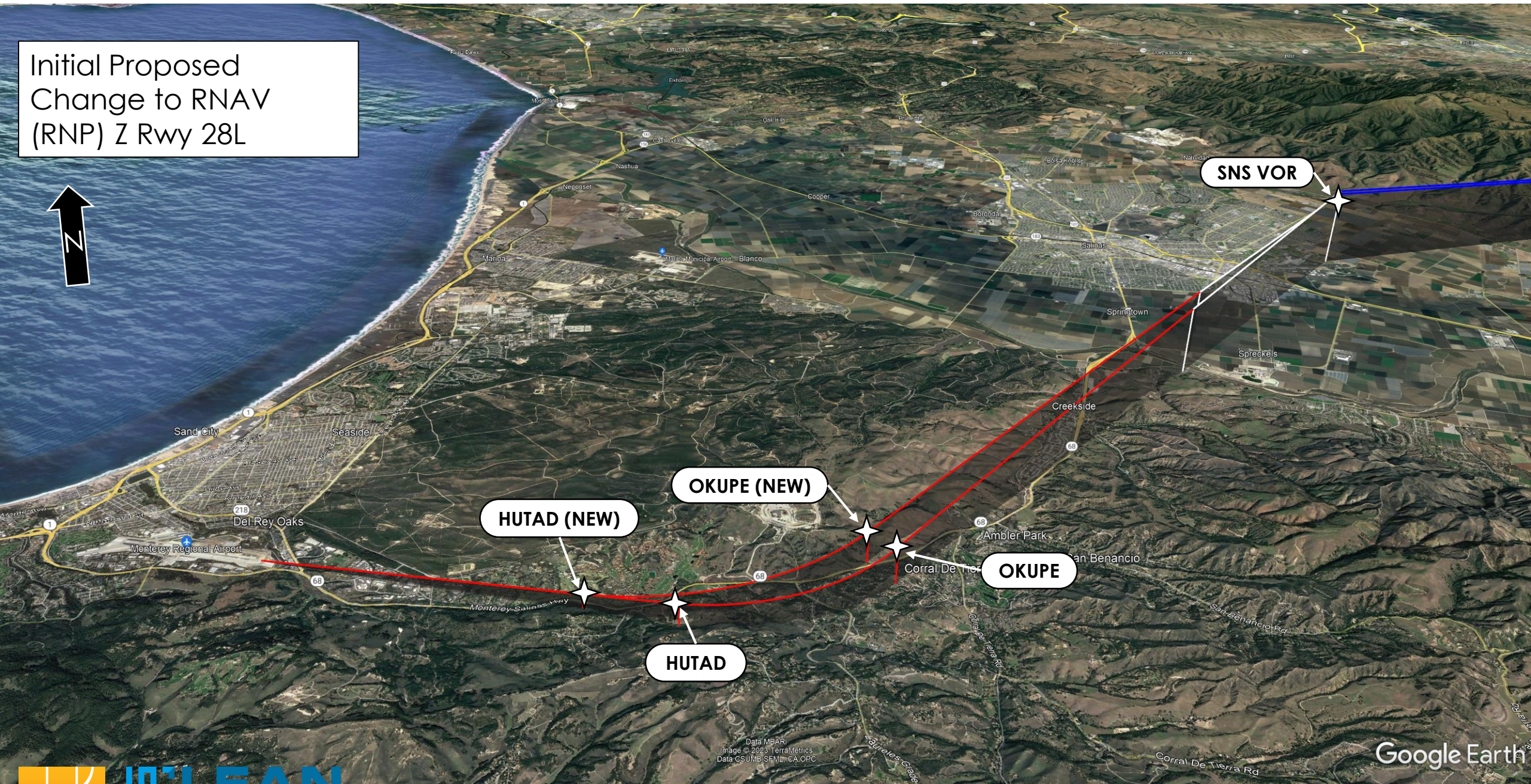
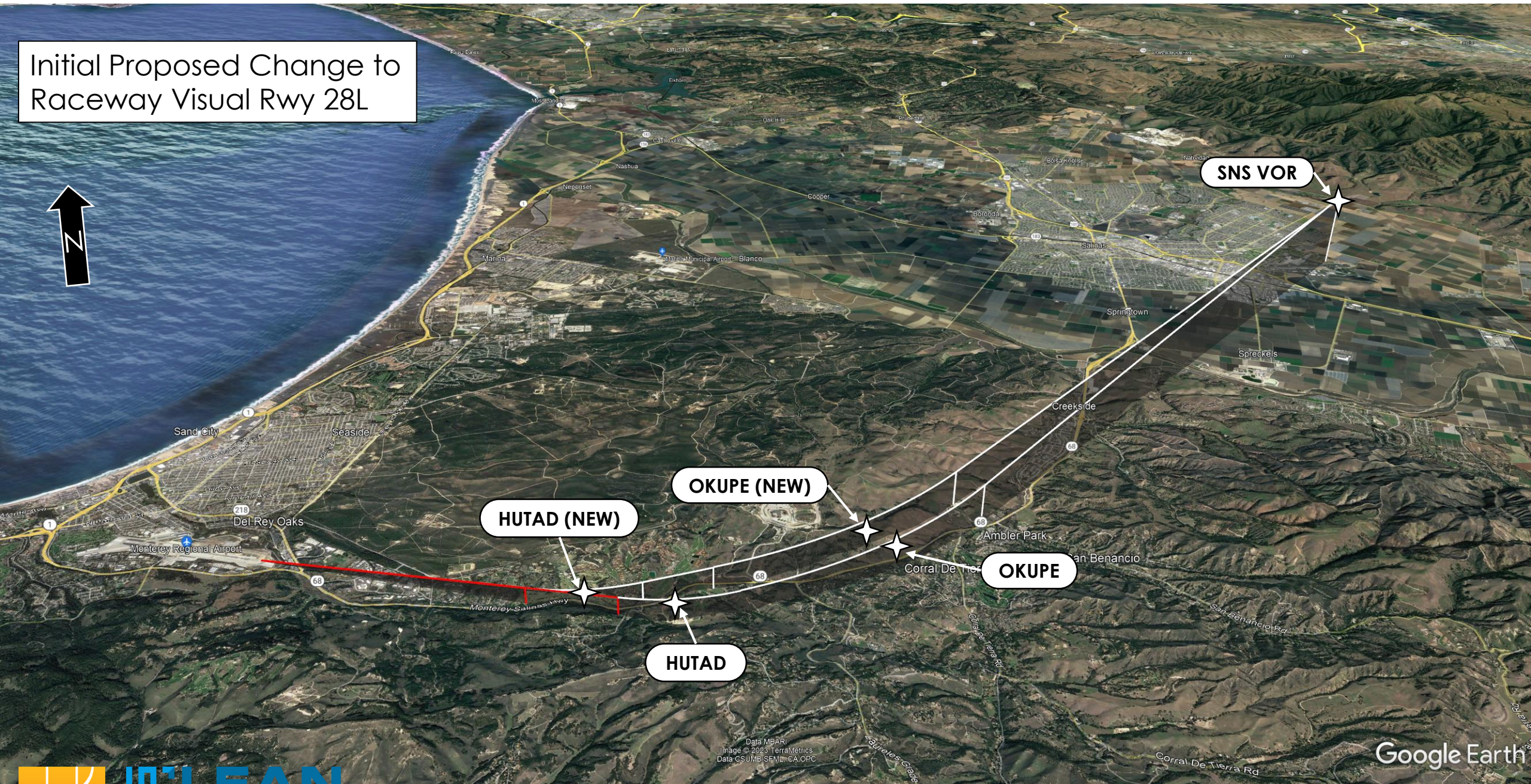


Image provided by FAA NCT via TARGETs JAN/FEB23

Initial Proposed
Change to RNAV
(RNP) Z Rwy 28L



Initial Proposed Change to Raceway Visual Rwy 28L



Data MBARI
Image © 2023 TerraMetrics
Data CSUMB SFML CA OPC

Google Earth

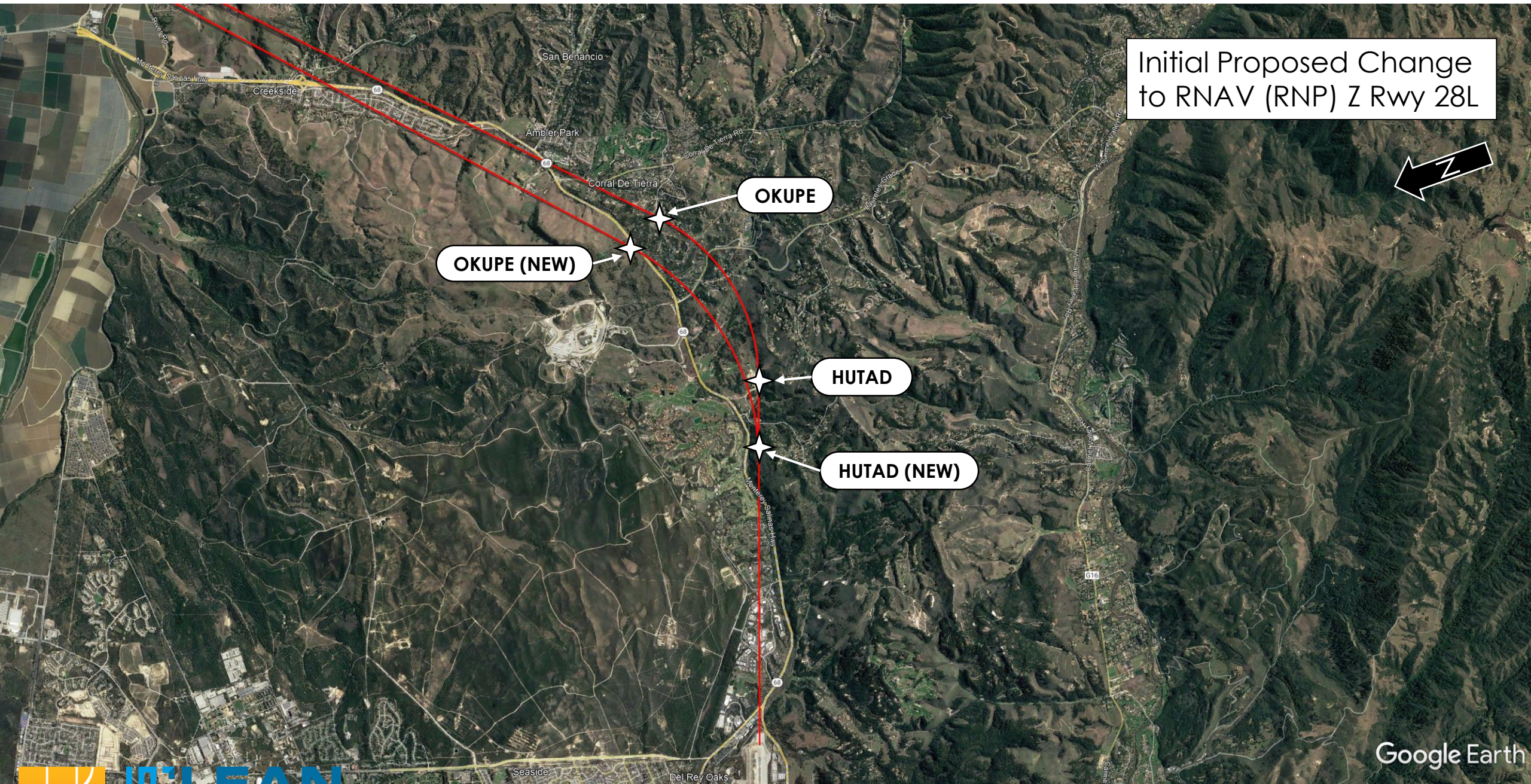
Initial Proposed Change
to RNAV (RNP) Z Rwy 28L



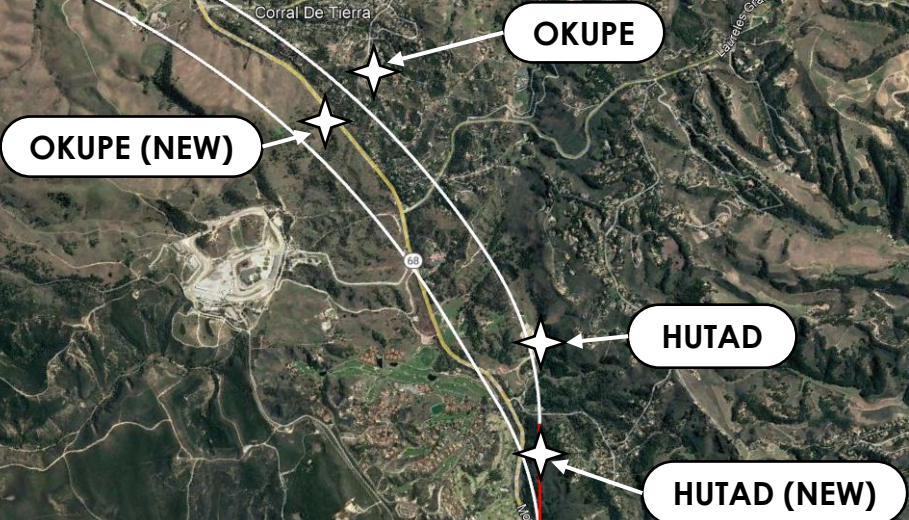
OKUPE
OKUPE (NEW)

HUTAD

HUTAD (NEW)



Initial Proposed Change to Raceway Visual Rwy 28L



Summary of Initial Proposed Changes (JAN23)

Initial changes to both the RACEWAY VISUAL and RNAV (RNP) RWY 28L would move aircraft west across Highway 68 by 0.25 Nmi

Procedures would create a slight reduction in minimums to the RNP approach

RNP approach requirements would continue to restrict aircraft usage to a small number of operations (Alaska/Horizon EMB-175LR and select business jets)

RACEWAY VISUAL approach would remain limited to daytime usage and is not required to be the preferred approach issued by NCT or ZOA

FAA identified criteria challenge with the RNAV (RNP) approach that could be resolved with a slight offset final approach course to the west

Updated Concept for RNAV (RNP) Z Rwy 28L



New Offset Final Approach Course

HUTAD (NEW)

OKUPE (NEW)

SNS VOR

HUTAD

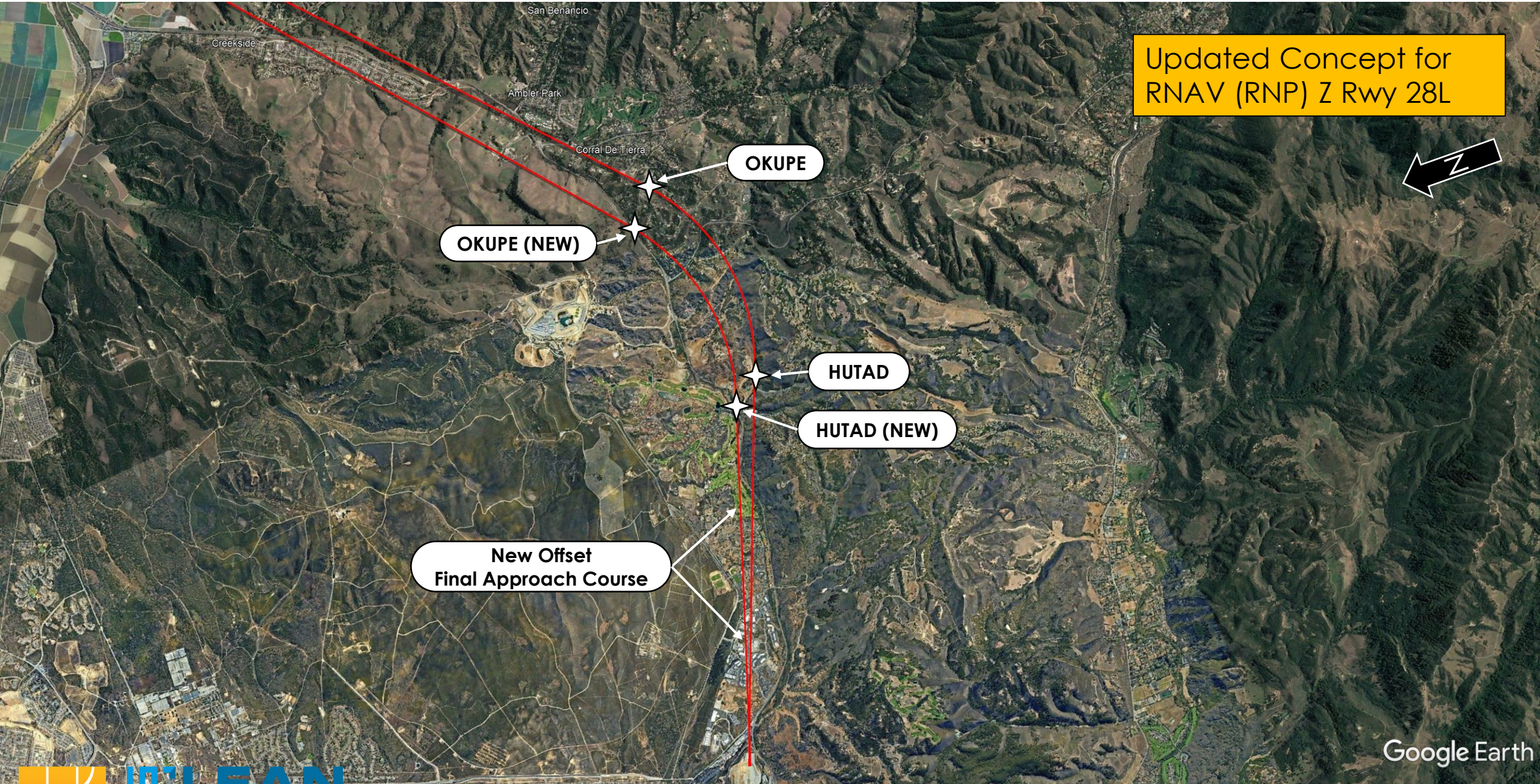
OKUPE



Image created by LEAN from TARGETs and Rendered in Google Earth APR23

Google Earth

Updated Concept for RNAV (RNP) Z Rwy 28L



OKUPE

OKUPE (NEW)

HUTAD

HUTAD (NEW)

New Offset
Final Approach Course



FAA/MPAD Review of Proposed Procedure Changes MAR23

FAA Airspace/Environmental Group met with MRY representatives in early MAR23 to provide insight on the proposed procedure changes

MRY team identified that the proposed changes would potentially increase noise in both public areas, especially near Fort Ord National Monument, and near Pasadera

MRY and FAA agreed to suspend any further exploration into modifications of the RNAV (RNP) Z Rwy 28L and Raceway Visual Rwy 28L

Options to Reduce Noise Over Neighborhoods North of MRY

| Option | | Description | Goal |
|---|-----------------------------|---|---|
|  | RNAV (RNP) Z Rwy 28L | Modify the RNAV (RNP) Z Rwy 28L to move aircraft west of Highway 68 | Keep noise over highway 68 or just west of it |
|  | CVFP Rwy 28L | Modify the Raceway Visual CVFP to move aircraft west of Highway 68 | Keep noise over highway 68 or just west of it |
| 3 | RVFP Rwy 28L | Work with a lead carrier to establish a noise optimized RVFP path | Keep noise over highway 68 or just west of it and/or create a better straight in path to runway 28L |
| 4 | RNAV with Fly Visual | Establish a RNAV (GPS) approach that overlays the RNP-Z and Raceway Visual with equivalent minimums to the RNAV (GPS) Y | Provide a noise optimized path to runway 28L over highway 68 that can be used by all aircraft |
| 5 | ODO | Utilize Opposite Direction Operations with departures from runway 28L and arrivals to runway 10R when possible | When winds permit the operation, reduce noise over residential areas east of the airport |
| 6 | ERAM AAR Change | Change the automatic arrival route for aircraft arriving from SoCAL, Arizona, Las Vegas to terminate at CHRLE | Increase utilization of LOC Rwy 28L and straight-in Raceway Visual Rwy 28L by directing IFR aircraft to CHRLE |

3./4. RVFP and RNAV (GPS) with Fly Visual

MRY previously inquired with FAA NCT about the likelihood of developing either an RNAV Visual Flight Procedure (RVFP) or an RNAV (GPS) approach that terminates in a “Fly Visual” segment

FAA NCT is not currently interested in pursuing these options for the purposes of noise abatement at MRY

3. RNAV Visual Flight Procedure (RVFP) at MRY

RVFPs can be developed at MRY but would have limited usability

- Requires a lead carrier (Skywest, NetJets, Horizon/Alaska, Allegiant) to create and maintain the procedure
- Requires OpSpec/Mspec/LOA to utilize (not available to GA and many bizjet operators)
- Can not be used when the tower is closed (NA at nighttime)
- Would not result in better minimums than LOC Rwy 28L or RNAV (GPS) Y Rwy 28L

FAA is not supportive of adding RVFPs at MRY to Rwy 28L due to the existence of the CVFP which achieves the same effect

4. RNAV (GPS) with Fly Visual Segment





Fly Visual segments can be used at the end of an approach procedure with terrain or ATC challenges that prevent straight-in designs

Fly Visual segments are often enhanced by approach lighting systems like a MALSF or RLLS, especially in terrain challenged environments like MRY

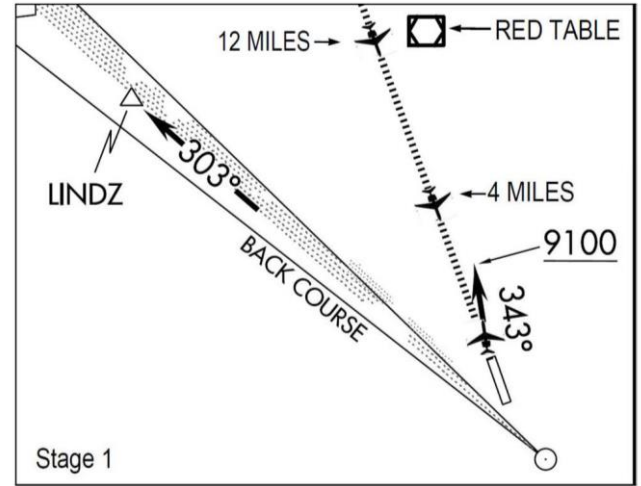
The procedure requires special review by FAA and can require active ATCT, depending on flight inspection and FAA feedback

FAA would prefer to maintain the current number of approaches to runway 28L and increase utilization of existing procedures that the community finds acceptable

Options to Reduce Noise Over Neighborhoods North of MRY

| Option | | Description | Goal |
|---|-----------------------------|---|---|
|  | RNAV (RNP) Z Rwy 28L | Modify the RNAV (RNP) Z Rwy 28L to move aircraft west of Highway 68 | Keep noise over highway 68 or just west of it |
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| 6 | ERAM AAR Change | Change the automatic arrival route for aircraft arriving from SoCAL, Arizona, Las Vegas to terminate at CHRLE | Increase utilization of LOC Rwy 28L and straight-in Raceway Visual Rwy 28L by directing IFR aircraft to CHRLE |

The scenario depicted below is an aircraft departing Aspen "Wrapping" with an arrival aircraft on a 4 mile final and "Westbound in front of" an arrival aircraft on a 12-mile final.



Departure aircraft was issued a takeoff clearance while in LUAW, when the first arrival aircraft was on approximately a 5 1/2 mile final. Crews promptly complied with the takeoff clearance, then immediately turned right to a 343 heading per the LINDZ SID.

Stage 1 of "the Wrap" at ASE

5. Opposite Direction Operations (ODO)

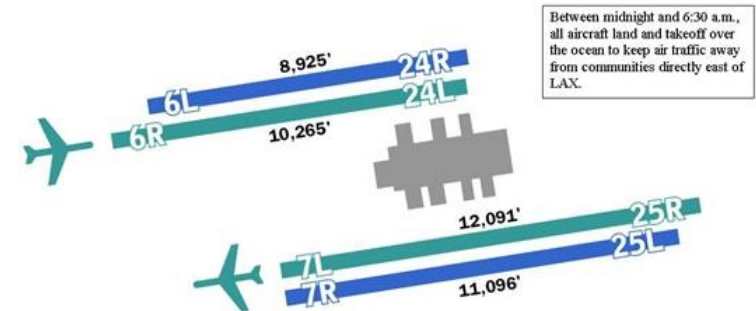
The concept of an Opposite Direction Operation involves aircraft departing runway 28L with aircraft also arriving on runway 10R

All airports with an ATCT have an ODO procedure which is only used when required (i.e. restricted airspace, weather, wildfires, noise abatement)

The use of ODO is limited due to safety issues including VFR vs IFR traffic, visibility and prevailing winds

There are a limited number of airports in the NAS that use ODO on a regular basis

- LAX uses ODO at nighttime to alleviate noise experienced by residents living east of the airport within the 65 CNEL contour
- ASE uses ODO 24/7 to resolve extreme terrain challenges that cause aircraft performance challenges



LAX Nighttime Noise Abatement Using ODO

5. Opposite Direction Operations (ODO) at MRY

At MRY, the current policy for ODO requires a 10 NMI cutoff

Arriving aircraft would have to hold over the ocean west of ZEBED while departing aircraft turned to a heading of 323°

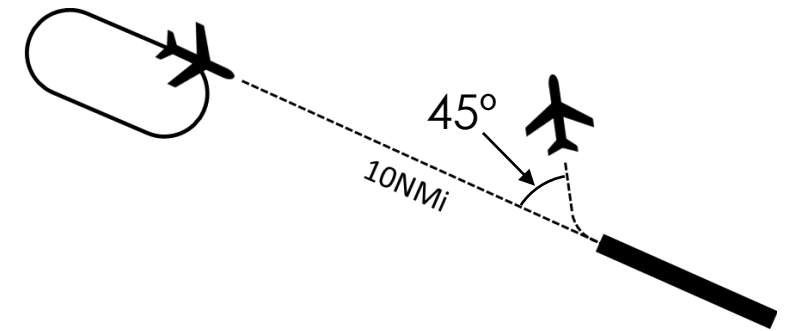
The process depends on IFR traffic, radar availability, ADS-B, active ATCT, NCT and ZOA coordination (NA at nighttime)

Overall airfield capacity during ODO would likely be limited to < 15 operations per hour

Many VFR operators at MRY are uncomfortable holding over water and may prevent the ODO from successfully being utilized

Prevailing winds also limit the opportunities to perform ODO as overall winds would have to be less than 5 kts at the airport

At this time, FAA/NATCA are not supportive of ODO for noise abatement at MRY due to the significant hazards that would need to be mitigated and limited opportunities for use



Example of ODO at MRY

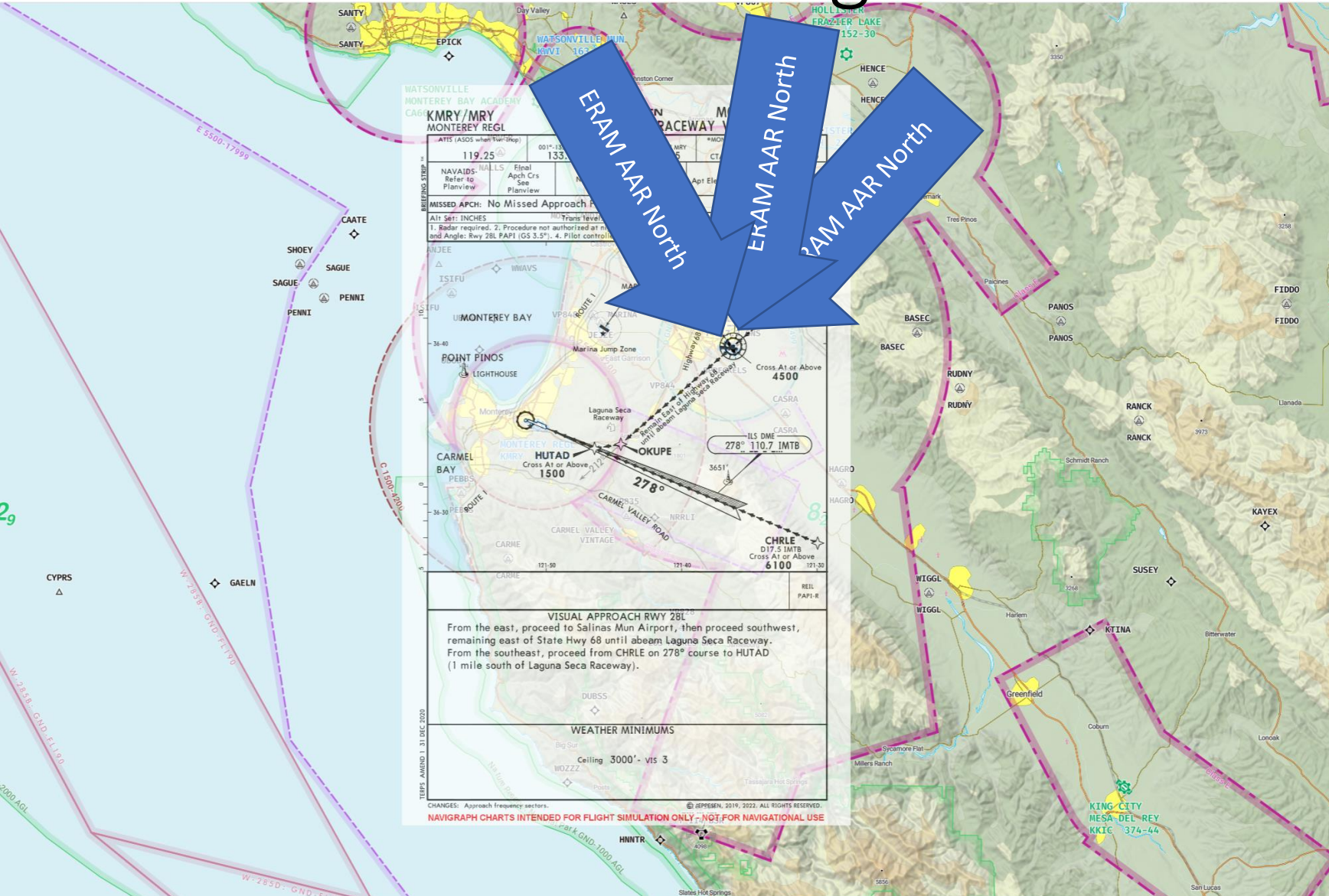
5. Opposite Direction Operations (ODO) at MRY

Likelihood of Winds less than 5 knots (Any Direction)

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 0:00 | 63.8% | 56.0% | 60.6% | 58.2% | 51.5% | 57.1% | 60.1% | 66.4% | 73.7% | 75.3% | 59.4% | 60.0% |
| 1:00 | 61.4% | 51.2% | 61.0% | 62.5% | 52.6% | 61.0% | 64.4% | 70.7% | 75.2% | 75.0% | 67.3% | 60.1% |
| 2:00 | 64.0% | 55.5% | 62.7% | 63.0% | 53.1% | 60.7% | 70.4% | 73.7% | 76.9% | 76.6% | 63.1% | 60.6% |
| 3:00 | 64.8% | 55.4% | 64.7% | 65.2% | 57.1% | 67.7% | 70.3% | 79.2% | 77.2% | 78.0% | 67.3% | 56.1% |
| 4:00 | 61.0% | 56.8% | 62.6% | 62.1% | 59.1% | 67.2% | 73.4% | 80.3% | 78.4% | 72.8% | 63.1% | 57.5% |
| 5:00 | 59.3% | 57.3% | 61.0% | 62.2% | 63.6% | 69.2% | 76.0% | 80.6% | 77.7% | 72.0% | 60.2% | 53.6% |
| 6:00 | 61.3% | 56.9% | 65.1% | 69.0% | 67.5% | 74.7% | 77.2% | 85.2% | 80.5% | 70.6% | 66.1% | 52.8% |
| 7:00 | 64.7% | 64.0% | 64.9% | 66.4% | 66.9% | 69.0% | 78.2% | 82.7% | 80.4% | 74.4% | 65.2% | 56.8% |
| 8:00 | 72.3% | 65.2% | 71.6% | 66.0% | 57.5% | 63.8% | 77.0% | 78.2% | 83.0% | 84.4% | 77.6% | 65.2% |
| 9:00 | 73.0% | 60.6% | 64.6% | 53.9% | 40.6% | 40.5% | 50.7% | 63.9% | 70.5% | 78.5% | 72.6% | 69.2% |
| 10:00 | 65.4% | 40.6% | 44.1% | 30.8% | 19.4% | 16.2% | 23.3% | 35.5% | 46.8% | 64.1% | 54.0% | 60.1% |
| 11:00 | 50.7% | 30.6% | 26.7% | 17.4% | 8.5% | 9.3% | 7.4% | 15.3% | 24.1% | 35.5% | 36.2% | 48.7% |
| 12:00 | 40.9% | 18.3% | 13.7% | 8.9% | 3.9% | 9.3% | 3.4% | 6.0% | 11.4% | 18.6% | 27.9% | 41.0% |
| 13:00 | 39.6% | 22.2% | 12.7% | 6.5% | 4.7% | 3.0% | 0.9% | 4.7% | 8.5% | 14.4% | 28.3% | 37.1% |
| 14:00 | 44.9% | 20.9% | 10.5% | 4.1% | 2.5% | 1.8% | 0.9% | 3.3% | 6.7% | 16.0% | 35.7% | 40.0% |
| 15:00 | 52.4% | 22.4% | 12.4% | 3.6% | 3.6% | 1.9% | 0.3% | 2.5% | 8.0% | 19.2% | 49.9% | 52.2% |
| 16:00 | 63.6% | 40.5% | 17.7% | 6.8% | 2.4% | 2.5% | 0.3% | 3.1% | 15.1% | 30.4% | 64.8% | 66.4% |
| 17:00 | 73.7% | 54.5% | 30.0% | 11.3% | 6.2% | 4.4% | 1.5% | 5.2% | 18.7% | 46.5% | 66.6% | 68.7% |
| 18:00 | 67.8% | 61.3% | 43.3% | 19.7% | 8.9% | 9.3% | 3.9% | 10.2% | 33.9% | 62.8% | 63.6% | 56.0% |
| 19:00 | 67.5% | 59.1% | 53.2% | 39.3% | 17.9% | 15.5% | 12.2% | 24.4% | 50.0% | 63.1% | 60.6% | 59.0% |
| 20:00 | 61.0% | 55.5% | 58.5% | 43.4% | 31.3% | 30.4% | 31.4% | 44.5% | 57.7% | 66.0% | 60.2% | 50.4% |
| 21:00 | 57.4% | 55.9% | 57.3% | 49.1% | 39.0% | 37.6% | 44.8% | 59.1% | 66.2% | 71.1% | 66.7% | 52.2% |
| 22:00 | 58.5% | 54.1% | 60.1% | 54.1% | 45.4% | 44.2% | 56.0% | 66.9% | 71.1% | 69.8% | 62.7% | 58.5% |
| 23:00 | 60.1% | 53.7% | 63.9% | 54.0% | 47.8% | 54.9% | 58.9% | 65.5% | 71.1% | 72.5% | 62.0% | 62.3% |

82.7% Period when winds and ATCT Availability could potentially facilitate ODO (Traffic Decrease)

6. ERAM AAR Change



EnRoute Automation Modernization (ERAM) Adapted Arrival Route (AAR) is currently used by NCT/ZOA for aircraft arriving into MRY from the north

Aircraft arriving from the North will automatically be assigned to “finish” their flight plan at the SNS VOR

Aircraft arriving from the North will frequently use the Raceway Visual Rwy 28L or consider the RNAV (RNP) Z Rwy 28L

6. ERAM AAR Change



NCT/ZOA do not currently have any AAR for aircraft arriving from any other direction (East or South)

Aircraft arriving from the South or East will generally plan to arrive at HIXAR which is the start of the RNAV (GPS) Y Rwy 28L approach

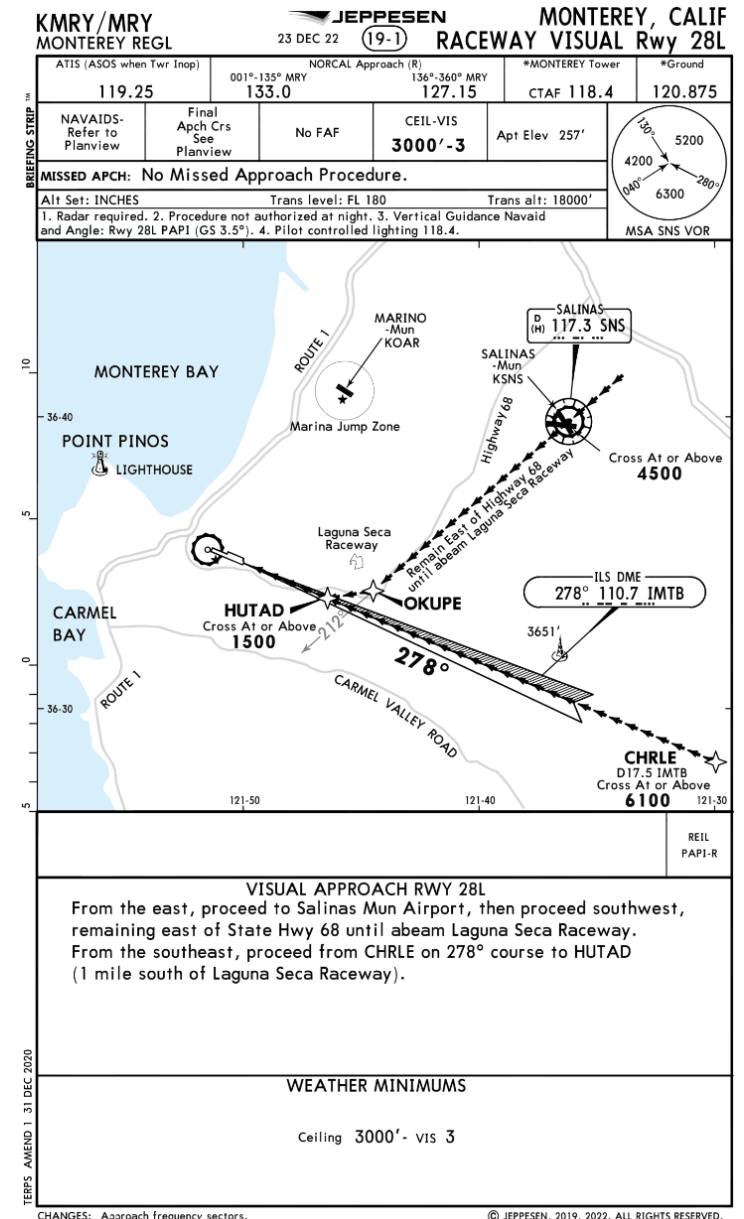
There is an opportunity to modify the ERAM AAR for aircraft arriving from the South and East to finish the flight plan at CHRLE

6. ERAM AAR Change

There may be an opportunity to add an AAR for aircraft arriving from SoCAL, Arizona and LAS to arrive at CHRLE

This would potentially encourage more aircraft to fly the LOC Rwy 28L or Raceway Visual Rwy 28L straight-in to MRY

This change would occur via NCT and ZOA, but would need to be discussed with airlines and NBAA



Options to Reduce Noise Over Neighborhoods North of MRY

| Number | Option | Who | When | Usage | Implementation |
|--------|-----------------------------|---------------------------|------------|-----------------|----------------|
| 1 | RNAV (RNP) Z Rwy 28L | FAA and MRY | 30NOV23 | Low | Discontinued |
| 2 | CVFP Rwy 28L | FAA and MRY | 30NOV23 | Moderate | Discontinued |
| 3 | RVFP Rwy 28L | FAA, MRY and Lead Carrier | 1.5 Years | Moderate to Low | Low |
| 4 | RNAV with Fly Visual | FAA, MRY | 3 Years | Moderate | Low |
| 5 | ODO | FAA | Now | Very Low | Remote |
| 6 | ERAM | FAA | 2-6 Months | Moderate | Moderate |



Questions

Paul Hannah
phannah@leancorp.com



TO: Monterey Peninsula Airport District Board of Directors
FROM: Michael La Pier, Executive Director
SUBJ: Well Water Analysis & Potential Distribution Route

DISCUSSION. In January 2019, Kimley-Horn Associates Inc. (KHA) was selected from our engineering hiring list based on their qualifications for water system engineering design. Accordingly, the Board approved Resolution No. 1737 authorizing a professional services agreement with KHA to review and evaluate options for non-potable water sources that would support the Quick Turn Around Car Wash Rental Facility.

December 14, 2022 the Board Approved Amendment #2 to the Professional Services Agreement between the Monterey Peninsula Airport District and Kimley-Horn Associates, Inc. for Design Services for the Well System Water Conveyance Project.

Since that time, KHA and Staff have been proceeding with potential distribution route options for the property at 2801 Monterey Salinas Highway and 2999 Monterey Salinas Highway locations.

The Well System Water Conveyance Project is anticipated to include the installation of a new water conveyance system and facilities to provide for the use of the new water wells at the 2801 Monterey Salinas Highway site and the 2999 Monterey Salinas Highway site.

The 2801 well is anticipated to supply non-potable well water to the existing Car-Return Quick-Turn Around (QTA) facility. In addition, it is anticipated that a well-head treatment system could be implemented for this well to treat the well water to potable water standards for domestic use in the proposed new terminal. The 2999 well is anticipated to provide non-potable well water for grey water use in the proposed new terminal.

The project components are expected to include: extending and connecting three-phase power to the existing well pump from the current PG&E feed; furnish and install one (1) hydro-pneumatic tank to maintain on-demand pressurized water; furnish and install Long Range Wireless Switch System (LRWSS) for wireless remote control and monitoring of well / tank and supply; modification to existing QTA car wash water supply to accommodate separate well water system to the car wash; and furnish and install water softener system.

KHA engineers will provide an update on the potential distribution routes so that environmental review can commence.

ATTACHMENT.

Kimley-Horn Associates Inc. Presentation – Well Water System (8 pages)

April 2023

Prepared by

Kimley»»Horn



Well Water System

Contents

1. Design Capacity/Demand
2. Proposed Improvements
 - a) 2801 Monterey-Salinas Hwy
 - b) 2999 Monterey-Salinas Hwy
3. Remaining Items
4. Schedule and Estimate

Presenters:

Pearse Melvin – Kimley-Horn

Madeline Priest – Kimley-Horn



1. Design Capacity/Demand

| WATER DEMAND SUMMARY ¹ | | | | | |
|-----------------------------------|---------------------------------|---------------------------|---------------------|---|----------------------------------|
| | Average Monthly Usage (gallons) | Average Daily Usage (gpd) | Average Usage (gpm) | Peak Hour Flow (Peaking Factor of 4.67) (gpm) | Peak Month, Peak Hour Flow (gpm) |
| Terminal Demand | 371,965.41 | 12,556.05 | 8.72 | 40.72 | 105.30 |
| Car Wash Demand | 58,829.13 | 2,002.76 | 1.39 | 6.50 | 16.65 |
| All Other Tenants Demand | 121,979.20 | 4,148.65 | 2.88 | 13.45 | 34.53 |
| Total Demand | 552,773.74 | 18,707.45 | 12.99 | 60.67 | 156.49 |

1. Data provided by Monterey Airport

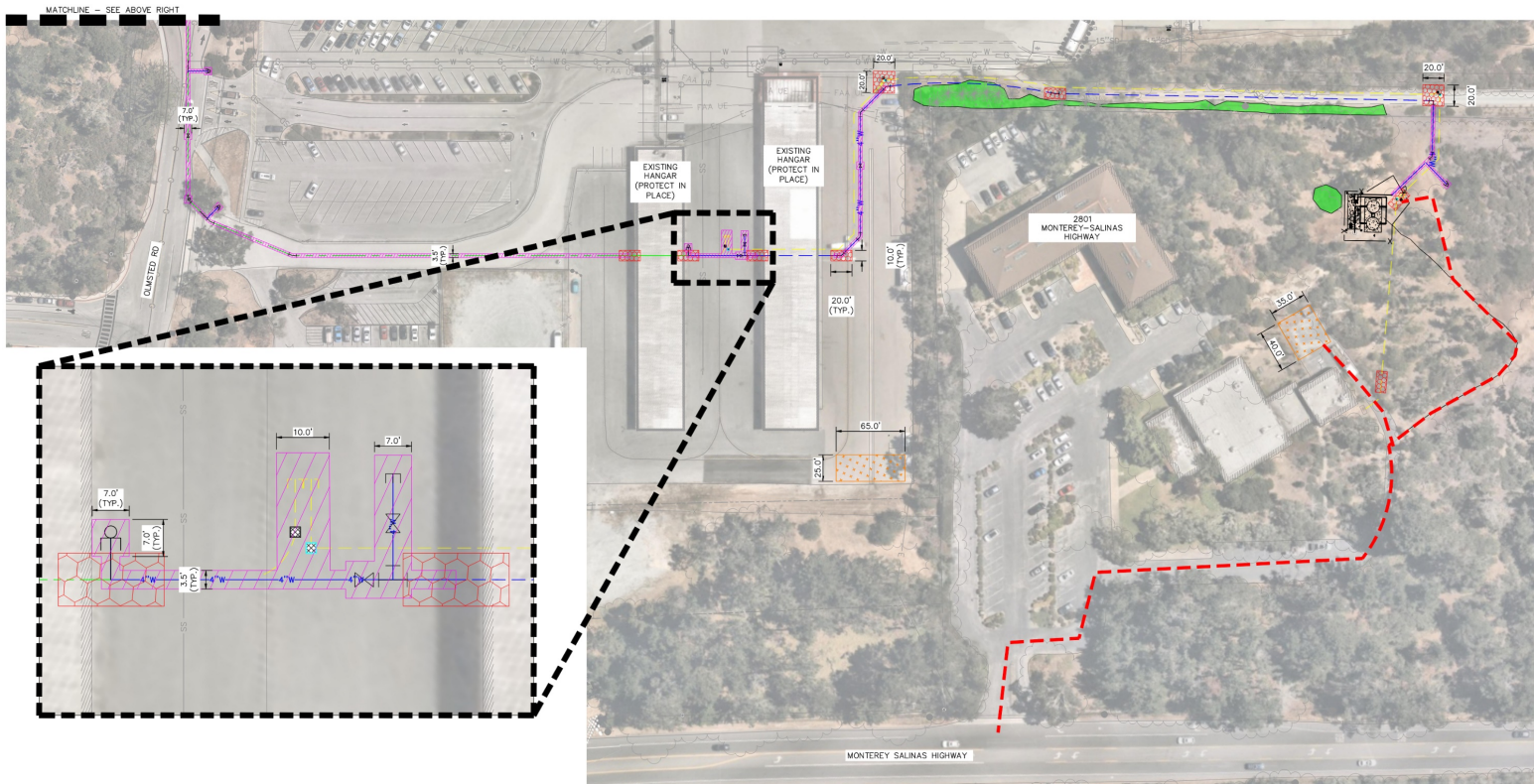
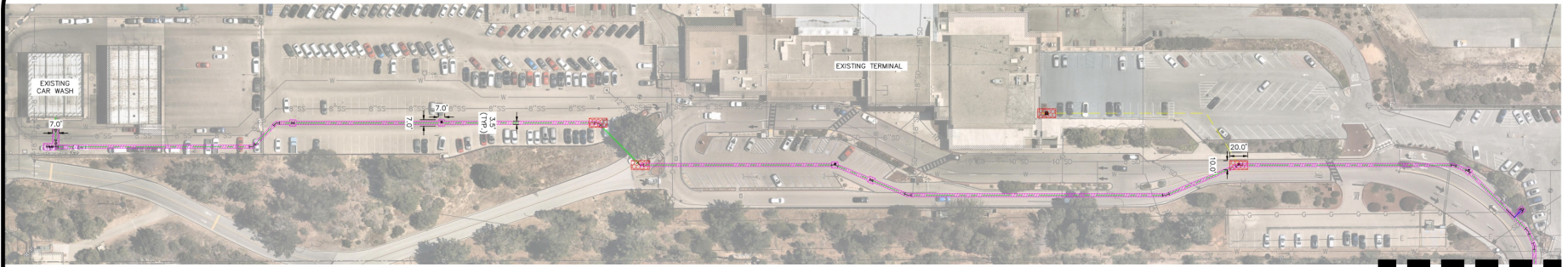
| 2801 Monterey-Salinas Hwy WELL PRODUCTION SUMMARY | | | |
|--|------------------|---|---|
| | Production (gpm) | Source Capacity Reduced Production ² (gpm) | Source Capacity Reduced Production ² (gpd) |
| 2801 Well Supply | 70.77 | 17.69 | 25,477.20 |

2. As defined by Quantity & Quality Analysis Report dated 2/10/2023 by Bierman Hydrogeologic Consulting & Water Resource Management

- Total Water demand for the entire airport was calculated from CalAM billing data, which included individual meter readings.
- Terminal demand was determined by: Total Gallons Billed – Sum of All Tenant Meter Readings in Gallons
- Car wash demand was estimated by calculating the site’s specific meter reading 4-year average (except for year 2020)
- Peak hour flow was calculated using a peaking factor of 4.67. This peaking factor was calculated with the assumption that 80% of the demand occurs in the early morning time period (4 hours).
- Peak month, peak hour flow was calculated using the average water demand from the month with the highest observed demand and factoring it by the peaking factor of 4.67.
- Well production rate was provided by the Airport via Bierman Hydrogeologic Consulting & Water Resource Management.
- A Source Capacity Reduction Rate was applied to the production rate based on the hydrogeologic report. The Credited Source Capacity is 25% of Post-Recovery Pumping Rate per the report.



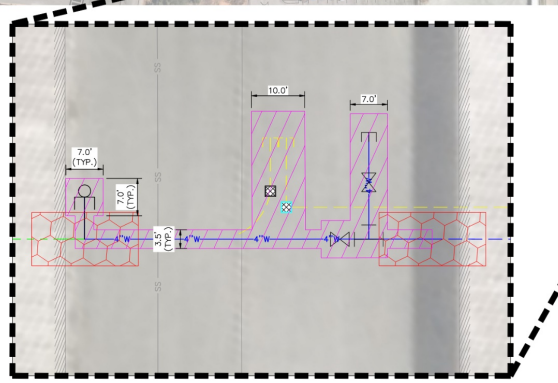
2. a) Proposed Improvements 2801 Monterey-Salinas Hwy



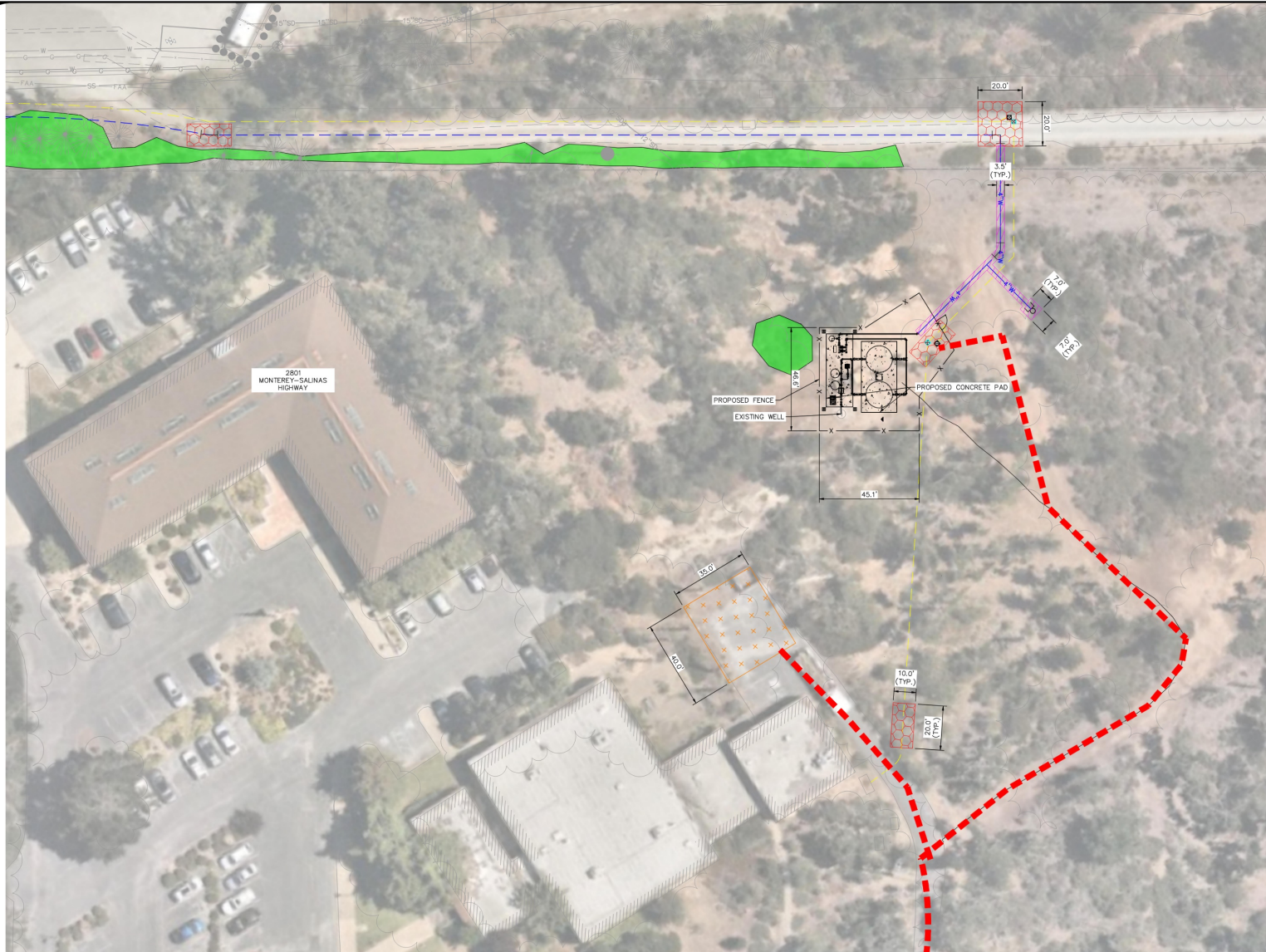
LEGEND:

- ENVIRONMENTALLY SENSITIVE AREA
- BORE PIT
- CONSTRUCTION STAGING AREA
- PROPOSED WATER LINE – TRENCH
- PROPOSED WATER LINE – BORE
- PROPOSED ELECTRIC/COMM – BORE
- PROPOSED JOINT TRENCH (WATER AND COMM)
- PROPOSED JOINT BORE (WATER AND COMM)
- PROPOSED HAUL ROUTE

GRAPHIC SCALE IN FEET
0 25 50 100



2. a) Proposed Improvement 2801 Monterey-Salinas Hwy

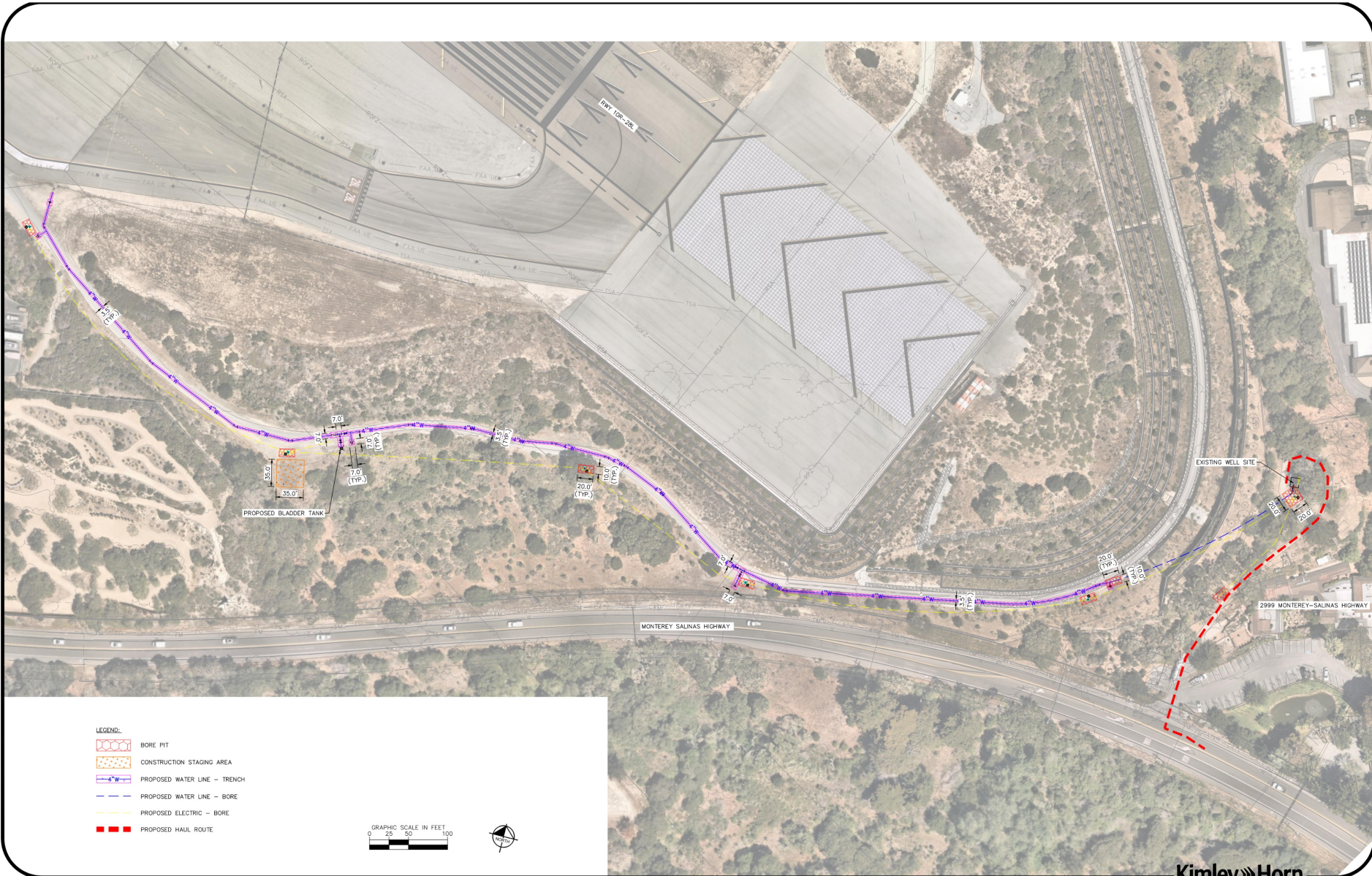


- LEGEND:**
- ENVIRONMENTALLY SENSITIVE AREA
 - BORE PIT
 - CONSTRUCTION STAGING AREA
 - PROPOSED WATER LINE - TRENCH
 - PROPOSED JOINT TRENCH (WATER AND COMM)
 - PROPOSED WATER LINE - BORE
 - PROPOSED ELECTRIC/COMM - BORE
 - PROPOSED JOINT BORE (WATER AND COMM)
 - PROPOSED JOINT BORE (WATER AND COMM)
 - PROPOSED HAUL ROUTE



Kimley»Horn

2. b) Proposed Improvements 2999 Monterey-Salinas Hwy



3. Remaining Items

- ✓ Well Water Sampling 2nd Round Qtr done
 - ❑ 2 additional testing samples need to be completed
- ✓ Submitted Well Pumping & Aquifer Recovery Test –
Quantity /Quality Report
 - ❑ Monterey County Environmental Health Bureau (MCEHB)
Source Capacity Approval Letter
- ❑ Confirmation of Exemption Water Distribution System
Monterey Peninsula Water Management District (WPWMD)
- ❑ California Environmental Quality Act (CEQA) Review

4. Schedule and Estimate

- ✓ Well Water Sampling
 - Final sampling October/November 2023
- MCEHB Source Capacity Approval Letter – awaiting MCEHB approval
- Confirmation of Exemption with MPWMD – after MCEHB approval
- CEQA Initial Study - May 2023
- Project Bidding – Summer 2023±
- Construction – Summer 2023± three to four months
- 2801 = \$1.7m – Car Wash Quick Turn-Around Facility (QTA)
 - Terminal full buildout plus \$700k
- 2999 - \$850k plus PG&E power

**STAFF REPORT AND
PROPOSALS FOR ITEM
G.4 WILL BE PROVIDED
PRIOR TO THE
MEETING**

TO: Monterey Peninsula Airport District Board of Directors
FROM: Michael La Pier, A.A.E., Executive Director
SUBJ: Revised Monterey Peninsula Airport District On-Airport Rental Car Operator Lease and Concession Agreement

BACKGROUND. On October 19, 2022, the Board of Directors of the Monterey Peninsula Airport District approved a new On-Airport Rental Car Operator Lease and Concession Agreement (Agreement). The Agreement was intended to update a 15-year-old lease agreement with each of the six rental car brand operators on property. The approved Agreement increased the minimum annual guarantee (MAG) and added a liquidated damages provision for failing to live up to tenant's responsibilities as it relates to operating the counter with personnel during the business hours outlined in the agreement.

In response to receiving the Agreement, two of the six rental car agencies proposed changes. The Agreement set the MAG at \$10,000 per month or \$120,000 for the first year, and thereafter it would be 85% of the prior years' Concession Fee paid, but never less than the first year MAG. Although none disagreed with the increased MAG, there was a request to add MAG abatement language in the event of a serious shortfall in business and an assertion the annual MAG reset should not include a "floor". The Agreement had liquidated damages in the amount of \$1,000 per day for non-compliance with hours of operations, which tenants saw as unacceptably high. They also requested the hours of operation be changed to be based on the first scheduled airline arrival, and the actual time of the last airline arrival, instead of based on departures. In addition, Enterprise and Avis both asked to combine their other brands into one agreement signed by the parent company with a \$10,000 MAG per month per brand. The result is three agreements are currently proposed, all with the same terms but with slightly different language to accommodate three brands for Enterprise, two for Avis, and one for Hertz.

STAFF ANALYSIS. After experiencing an unprecedented traffic reduction at the Airport due to COVID travel restrictions, staff understands the desire by the operators for rent abatement language and recommends the addition of Article 5.4, "Tenants Right of MAG Abatement", be added. However, since this abatement is based on a rolling three months, staff believes the "floor" in the annual MAG reset is still appropriate and did not agree to that change. The liquidated damages amount proposed by the operators was \$250.00 per day. Staff considered this amount too low, and not enough of a deterrent to non-compliance with operational hours. Staff recommends, and the operators have agreed, the liquidated damages amount be changed to \$500.00 per day, as shown in Article 4.2.

FISCAL IMPACT. None anticipated.

RECOMMENDATION. Approve the proposed revised version of the Monterey Peninsula Airport District On Airport Rental Car Operator Lease and Concession Agreement.

ATTACHMENTS.

Monterey Peninsula Airport District On Airport Rental Car Operator Lease and Concession Agreement between the Monterey Peninsula Airport District and Avis Budget Group

Monterey Peninsula Airport District On Airport Rental Car Operator Lease and Concession Agreement between the Monterey Peninsula Airport District and Enterprise Rent-A-Car Co. of San Francisco, LLC

Monterey Peninsula Airport District On Airport Rental Car Operator Lease and Concession Agreement between the Monterey Peninsula Airport District and The Hertz Corporation

**MONTEREY PENINSULA AIRPORT DISTRICT ON-AIRPORT RENTAL CAR
OPERATOR LEASE AND CONCESSION AGREEMENT**

THIS OPERATING AGREEMENT (“AGREEMENT”), dated as of May 1, 2023 (“Effective Date”) is made between the **Monterey Peninsula Airport District**, a special district of the State of California (“District” or “Airport”) and **Avis Budget Group**, 6 Sylvan Way, Parsippany, NJ 07054 (“Tenant” or “Operator”), with reference to the following facts and objectives:

- A. District owns and operates the Monterey Regional Airport, a public airport located in the County of Monterey, State of California (“Airport”).
- B. Tenant is engaged in the management of an automobile business at the Airport commonly known as Avis Budget Group.
- C. District desires to grant and Tenant desires to hire and obtain certain rights, licenses, and privileges to operate at the Airport.
- D. District believes it is important to the travelling public that quality automobile transportation be available for hire or rental by air passengers arriving at the Airport and by other users of the Airport.

NOW, THEREFORE, District and Tenant agree as follows:

1. TERMINATION OF PRIOR AGREEMENTS AND SEPARATE APPLICABILITY OF AGREEMENT

This agreement shall terminate and supersede the Rental Agreement dated July 1, 1994 and July 1, 1996, respectively between District and Tenant, and the Rental Agreement dated July 1, 1994 and July 1, 1996, respectively between District and Tenant are of no further force and effect.

2. PREMISES

District rents to Tenant, and Tenant hires from District, those areas of the types described below, each as is more particularly defined or shown in Exhibit “A” attached to this Agreement (the “Premises”). Tenant shall use the Premises and Airport solely for the purpose of providing automobile rental services to the public.

3. TERM

The term of this Agreement shall commence on May 1, 2023 and shall terminate on January 31, 2024 (“Initial Term”). Upon completion of the Initial Term, this Agreement will automatically renew and continue for successive one (1) year terms (“Successive Term”), unless a written notice of non-renewal is delivered by a Party to the other Party no later than one hundred eighty (180) days prior to the completion of the Initial Term or Successive Term, or unless this Agreement is sooner terminated pursuant to the provisions of this Agreement.

3.1 Office Space. Multi-purpose office space located in the Airport Terminal as depicted on Exhibit "B".

3.2. Counter Space. Multi-purpose counter space adjacent to the office space in the Airport Terminal as depicted in Exhibit "B". Any portion of the counter space area that is within the common-use corridor of the corridor of the Airport Terminal shall be rented to Tenant on a non-exclusive basis.

3.3 Ready Parking Spaces. Ready parking spaces within a common-use lot adjacent as depicted on Exhibit "C".

3.4 Tower Vehicle Storage Spaces. Vehicle storage spaces within the common-use lot located east of the FAA Tower Parking Area as depicted on Exhibit "D".

3.5 Overflow Vehicle Storage Area. Unimproved parking area within a common use lot located in the vicinity of the intersection of Highway 68 and Olmsted Road as depicted on Exhibit "E".

3.6 Substitute Property. The Parties acknowledge that the District intends to construct a new terminal. In the event that the District determines, in its sole and absolute discretion, that it needs to reacquire any of the property leased to Tenant through this Agreement, the District shall provide substitute property in similar size and functionality as the property that the District reacquires. The District shall provide as much notice as possible to Tenant prior to the reacquisition of property, but in no event shall the Tenant receive less than ninety (90) days' notice.

4. TENANT'S RESPONSIBILITIES

4.1 Equipment and Fixtures. Tenant, at its own cost and expense, will be required to provide in its concession area all equipment, fixtures, decorations, materials and supplies which Tenant may need to conduct the rental car operation in a first-class, business-like manner, and all of which shall be of high quality, safe, modern in design, attractive in appearance and in keeping with the general architecture and décor of the Airport Terminal's facilities, and all of which shall be subject to written approval of Airport's Executive Director prior to installation.

4.2. Business Hours. Tenant's business hours shall remain open to serve seven days per week from 40 minutes before the time of the first scheduled airline arrival, to a time that is least forty minutes after the actual time, scheduled or delayed, of the last airline arrival. If Tenant operates from more than one counter, then Tenant shall be permitted to staff the multiple counters with a single employee. Tenant's schedule of business hours shall be subject to periodic review upon the written request of Tenant to Airport's Executive Director or Airport's Executive Director to Tenant. As a result, Airport's Executive Director may require an expansion or allow reduction of the hours of operation as public demand requires. In addition to any

other remedies available to District as outlined in this Agreement, in the event that Tenant Client fails to operate the counter with personnel during the business hours outlined in this paragraph, the District will suffer a substantial injury for which it is impracticable or extremely difficult to fix actual damages. In an effort to establish, or liquidate, in advance the sum that should represent such damages, Tenant agrees to pay District \$500.00 per day for each and every day that the Tenant fails to operate the counter with personnel during the business hours outlined in this paragraph. The Parties acknowledge and agree that the sums payable under this paragraph shall constitute liquidated damages and not penalties and are in addition to all other rights of the District, including the right to call a default under this Agreement.

4.3 Supervision. Tenant shall always retain an active, qualified, competent, and experienced representative, authorized to represent, and act for Tenant, to supervise its operations at the Airport. During any temporary periods of absence by Tenant's representative, an alternate representative of Tenant with like authorization must be present. Tenant shall always keep Airport's Executive Director advised as to who Tenant's representative is and how immediate communication can be established with that representative on a 24-hour basis in the event of an emergency.

4.4 Employees. Tenant's employees shall be clean, courteous, efficient, and neat in appearance. Tenant shall not employ any persons in or about the Airport who shall use improper language or act in a loud or boisterous or otherwise improper manner. While on duty and in public view, employees shall limit the use of cell phones and earphones. Upon written notification to Tenant that any person employed by Tenant at the Airport, is, in the District's opinion, disorderly, discourteous, unkempt, or otherwise unsatisfactory, immediate, and appropriate corrective action shall be taken by Tenant to ensure that such unsatisfactory and unacceptable conduct does not reoccur.

4.5 First-Class Operation. Tenant shall operate the rental car operation in a first-class manner, in accordance with the highest standards for this type of service at other airport terminals and within the rental car industry. The rental car service shall be prompt, clean, courteous, efficient, and otherwise of the highest quality, and adequate to meet all reasonable demands for rental car services at the Airport.

4.6 Number and Condition of Automobiles. Tenant, at its own cost and expense, shall always maintain on the Airport an adequate number of automobiles to reasonably meet the public demand. All automobiles shall at all times be maintained by Tenant, at its own cost and expense, in good operating order and free from known mechanical defects and shall be kept in clean, neat, and attractive condition, inside and out.

4.7 Vehicles Sales. Tenant shall not operate vehicle sales on the Premises without first obtaining the written consent of Airport's Executive Director, which

shall not be unreasonably withheld, and provided that such vehicle sales operations shall be subordinated to all of Tenant's rental car operations at the Airport. District shall have strict control of this activity and may at any time immediately suspend this activity if, in the sole discretion of Airport's Executive Director, the vehicle sales operation adversely impacts the Airport. The use of any signs, spotlights, balloons, banners, or other promotional type of activities which are commonly used in connection with vehicle sales operations are strictly prohibited. All revenue generated from vehicle sales operations conducted on Airport property shall be considered Gross Revenue.

5. CONCESSION AND FACILITY FEES

5.1 Minimum Annual Guarantee and Percentage Fee. Tenant shall pay to District as compensation for the concession privileges granted under the Agreement the greater of the Minimum Annual Guarantee or a Percentage Fee equal to ten percent (10%) of the Gross Receipts derived by Tenant from the operation of its automobile rental business, at the Airport, as authorized by the Agreement.

5.2 Minimum Annual Guarantee. The Minimum Annual Guarantee (MAG) for the first year of this agreement shall be Two Hundred Forty Thousand Dollars (\$240,000.00) per year. The MAG for each Successive Term of this Agreement shall be 85% of the Tenant's actual Concession Fee paid to the District for the previous contract year of this agreement, but in no event shall the MAG drop below Two Hundred Forty Thousand Dollars (\$240,000.00) per year. For any period of less than one (1) calendar year that this Agreement shall be in effect, the Minimum Annual Guarantee shall be calculated on a pro rata basis. Payments of one-twelfth (1/12) of the MAG shall be due in advance without demand, offset of invoice of the first (1st) day of each month during the term of this Agreement.

Percentage Fee. The Percentage Fee for each year of this agreement shall be calculated as ten percent (10%) of Gross Receipts from all business operations conducted on the Premises in accordance with Section 6.2.

5.3 Payment of Minimum Annual Guarantee, Percentage Fee, and Other Fees. All payments and fees shall be due and payable monthly in accordance with the provisions of Paragraph 9.

5.4 Tenant's Right of MAG Abatement. In the event that the following condition exists during the term of this Agreement, the minimum annual guarantee hereinabove provided for in Section 5.2 above shall be abated for the period of time the condition exists:

A. A major traffic reduction at Airport. A major traffic reduction shall be defined as a fifteen percent (15%) reduction in the number of passengers deplaning on scheduled airline flights at the Airport, during any period of three (3) consecutive calendar months as compared to the number of such deplaning passengers in the

same calendar months during the 2022 calendar year. For example, if May, June and July have a traffic reduction of 17%, 20% and 26% respectively, then the 1/12th minimum annual guarantee payment beginning May would be abated.

B. If the major traffic reduction continues for additional months, the abatement will continue as well, until there are three (3) consecutive calendar months when traffic does not fall below the 15% threshold, at which time the full minimum annual guarantee payment shall be made beginning the following month.

C. This major traffic reduction can only be identified after any three-month period ends; however, the major traffic reduction exists for any three-month period when all three months had a not less than 15% reduction in passenger deplanements. Overpayments of the MAG will be credited to the Tenant during the year-end reconciliation process Section 8.

D. Tenant shall continue to pay the Percentage Concession Fee during this abatement period.

6. RENT

6.1 Commencement Date. Starting on the Commencement date of this Agreement and continuing each month thereafter, Operator shall pay the following rent to the District:

A. Airport Terminal Building Rent. Operator shall pay the current Airport Rates and Charges square footage rate for their uses and occupancy of a portion of the Airport Terminal Building as outlined in Exhibits “A” and “B”.

1. Tenant shall pay the current Airport Rates and Charges square footage rate for their uses and occupancy of a portion of the Airport Terminal Building as outlined in Exhibits “A” and “B”. Operator’s current monthly rate is \$4.40 per square foot. Adjustments to this rent will be in accordance with the Airport’s Rate and Charges modifications approved by the District and shall occur annually every July 1 throughout the term of this agreement. Initial rent shall be calculated as follows:

| AVIS | | BUDGET | |
|-----------------|---------------------|-----------------|---------------------|
| Monthly Rent | Monthly Rent Amount | Monthly Rent | Monthly Rent Amount |
| Counter | \$1,078.00 | Counter | \$1,140.00 |
| Stowage Parking | \$702.00 | Stowage Parking | \$527.00 |
| Ready Park | \$1,160.00 | Ready Park | \$880.00 |
| Office | \$546.00 | Office | \$1,848.00 |

B. Parking Rent. If operator needs additional parking outside of the designated areas on Exhibits “C”, “D”, and “E”, Rental Car Parking, Return Lot and Staging Areas, the Airport, or Airport’s parking management

company, will designate parking stalls, if available on the Airport for additional automobile rental parking only. The charge for this parking will be listed in the Master Fee Schedule or Airport Rates and Charges under Vehicle Parking Fees; Landside Parking; Commercial Tenant Long-Term Lot Fee. Operator must give prior notice of the number of parking spaces that the Operator requires and pay the fee(s) in accordance with this section. Any automobile belonging to Operator found parked on the Airport (not including allocated parking spaces in Exhibits "C", "D", and "E") without permission shall pay the District the amount of \$50.00 per day per automobile until moved. Each unauthorized vehicle is also subject to ticketing by Airport personnel and/or any law enforcement agency having jurisdiction at the Airport; these fines will be in addition to the \$50.00 per day per unauthorized automobile charge.

6.2 Gross Receipts. Gross receipts shall include, but shall not be limited to, all revenues from the following:

- A.** The rental or sale of goods or services under this Agreement, including, but not limited to, all monies or other consideration generated or received by Operator for the conducts of business pursuant to this Agreement, unless specifically excluded below in section 6.3 "Exclusion from Gross Receipts". Gross Receipts shall be determined by the total of charges listed on a customer receipt less any items specifically excluded. All monies or other consideration shall include the following:
 - 1.** Time and Mileage Charges and Rental Charges; Fees for insurance coverage, including Loss Damage Waiver (LDW); Partial Loss Damage Waiver (PDW); Additional (Supplemental) Liability Insurance (ALI/SLI); Personal Accident Insurance (PAI); Personal Effects Protection (PEP); Extended Roadside Assistance; Emergency Sickness Protection; and all other insurance coverage items offered now or in the future during the term of this Agreement.
 - 2.** Fees for rental equipment, including child safety seats, satellite radio access, recreational gear and car racks for recreational gear, tire chains, personal computers, GPS systems, and any other equipment offered now or in the future during the term of this Agreement.
 - 3.** Additional fees charged to Customers, including: Additional and underage fees; Upgrade and exchange fees; Fees for fueling; Pre-paid and other petroleum products; Inter-County charges (drop fees); Transportation fuels; Early and late fee return fees; Parking fees, including fee for valet parking; toll device fees (excluding Tolls themselves); Tire and battery fees; Concession Recovery fees; Automobile license recovery fees; Frequent flyer recovery fees;

Fees for miscellaneous services including road side assistance;
Other fees charged now or in the future during the term of this Agreement.

4. The value of coupons and vouchers purchased by corporations and tour companies, either in advance or invoiced after use, if the rental charges are not shown in the actual receipt.
5. The contacting for delivering, picking up, or renting of rental automobiles from the Airport property, regardless of ownership, area, fleet, or location assignment and without regard to manner in which, or place at which, the rental automobiles are ordered or furnished or where the rental automobiles are returned, and without regard to duration, or of where, how or by whom payment is made.
6. A transaction in which a rental automobile is exchanged elsewhere when the rental automobile was originally contracted for, delivered, supplied, or rented at the Airport. The Operator shall not allocate transactions to any other location, regardless of which city or location own the rental car, or where the rental car is ultimately returned.

6.3 Exclusion from Gross Receipts

- A. Each exclusion from Gross Receipts shall be segregated in the Operator's monthly statement of Gross Receipts under this Agreement.
- B. Any taxes now or hereinafter levied or imposed by any local, state, or federal law which are separately stated in the rental agreement are paid by the customer and which are directly payable to the taxing or tax collecting authority by the Operator. This exclusion shall include automobile license fees, if separately stated on the rental agreement are paid by the customer.
- C. Sums received as insurance proceeds or otherwise for damage to automobiles or other property of Operator; sums received for loss, coverage, or abandonment of Operator's automobiles; and amounts paid by customers or Operator and billed as separate charges to satisfy Operator's right to recovery from customers for damage to the automobile rented.
- D. Any sums received from the disposal or furniture, fixtures, and equipment.
- E. Any sums received from a customer for reimbursement of impound fees, Tolls, redlight tickets and parking tickets including the administration

thereof.

- F. Fueling charges and CFCs
- G. Corporate discount rebates, but only to the extent that Operator provides auditable proof to District that the discounts or rebates are specifically attributable to rental agreements with customer at the Airport.
- H. Each transaction made during installment or credit shall be treated as a transaction for the full price in the month during which such charge or transaction occurs, regardless of when the Operator receives payment, whether full or partial.
- I. In no event shall the Operator's Gross Sales from any transaction be negative in any revenue for purposes of this Agreement.
- J. Operator may pass through the 10% concession fee to its customer and may "gross up" the concession fee pass thru because concession fee revenue is included as Gross Receipts per Section 6.2 Gross Receipts of this Agreement. The amount of concession fee pass thru should not exceed 11.11% on the rental car invoice.
- K. Gross sales shall not be reduced by bank charges, uncollected or uncollectible credit accounts, charges made by collection agencies, bad debt losses, or any other commission or other amount paid out or rebated by the Operator to travel agents or others with respect to any rental or sale of goods or services.

7. CUSTOMER FACILITY CHARGE

District has authorized a Customer Facility Charge ("CFC") of \$10 per rental agreement. Tenant is required to collect this fee from all customers and remit this collection to the Airport. Subject to applicable regulatory requirements, District reserves the right to modify and/or amend the previously approved CFC following consultation with the Tenant.

Tenant agrees that: (a) the CFC is not income, revenue or any other asset to Tenant; (b) Tenant has no ownership or property interest in the CFC; (c) Tenant hereby waives any claim to a possessory or ownership interest in the CFC; (d) the CFC shall be the property of the Airport and shall be held in trust by Tenant for the benefit of the Airport; and (e) the Airport (or a trustee on its behalf) has complete possessory and ownership rights to the CFC.

8. ADJUSTMENT OF RENTS/RENTAL RATES

8.1 Adjustments. An adjustment shall be made at the end of each and every Lease Year with respect to any underpayment or overpayment of the Concession

Fee, including any adjustments on account of MAG abatement. The monthly rents/rental rates may be adjusted from time to time to conform to rates and charges established by any resolution or ordinance by the District's Board of Directors to apply uniformity at the Airport.

8.2 Notification Letter. District will notify Tenant of rents/rental increases (whether as a result of annual adjustment or otherwise) by sending a notification letter stating the new rent/rental rates and effective date of the increase, which effective date shall not be less than 30 days after the notice is sent to Tenant. Provided that notice is timely sent, it shall not be necessary to amend this Agreement in order for the rent/rental rates to become effective as of the date specified in the notice.

8.3 Security and Faithful Performance Deposit. Tenant shall promptly upon entering into this Agreement, provide the District with a security deposit in the form of cash/bond/Letter of Credit in the amount of four months' total monthly rent. Tenant shall increase the security deposit so as to maintain on deposit at all times an amount equivalent to four month's then current total monthly rent.

8.4 Other Utility Fees. Electric power, Water, and Sewer are provided through the District and will be charged to Tenant on a prorated basis, based on the District's reasonable estimate of Tenant's usage. Trash, disposal, telephone service and all other utilities shall be the responsibility of Tenant.

9. PAYMENT PROCEDURE

9.1 Minimum Annual Guarantee. Except as provided in this Agreement, one twelfth (1/12th) of the Minimum Annual Guarantee is due and payable on the first (1st) day of each calendar month during the Term of this Agreement and is delinquent if not paid within (5) calendar days of when due and payable.

9.2. Monthly Statement of Gross Receipts and Percentage Fee Payment. On or before the twentieth (20th) day of each following month during the term of this Agreement, Operator shall deliver to the District a correct statement and all applicable fees as follows:

- A.** The total Gross Receipts for proceeding month.
- B.** The Percentage Fee calculated for the total Gross Receipts for the preceding month (exclusions from Gross Receipts shall be itemized); and the total amount of fees due for the preceding month.

9.3 Monthly Payment. Each monthly payment shall include the greater of the following two amounts: the Percentage Fee computed for the preceding month to one-twelfth (1/12th) of the Minimum Annual Guarantee. The monthly payment is due and payable on the twentieth (20th) day of each following calendar month during the Term of this Agreement, and delinquent if not paid with five (5) days of when due and

payable.

9.4 Cumulative Minimum Annual Guarantee and Percentage Fee. Once the cumulative Minimum Annual Guarantee monthly payment and the Percentage Fee monthly payment aggregate to the Minimum Annual Guarantee for the applicable year of the Agreement, only the Percentage Fee shall be paid for the balance of the year.

9.5 Place of Payment. All rents and fees, together with the accompanying reports and statements of Gross Receipts, shall be mailed to the following address:

Monterey Peninsula Airport District

ATTN: Accounts Receivable
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

Or other such address as District may from time to time direct in writing.

9.6 Charge For Late Payment. Operator hereby acknowledges that the late payment of fees or any other sums are due hereunder will cause District to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include but are not limited to costs such as administration processing of delinquent notices, increased accounting costs, etc.

Accordingly, if any payment of fees as specified in Section 11.1 "Concession Fees" of this Agreement, or any other sum due to the District is not received by the District within 5 days following the due date, a late fee of five (5%) of the payment due shall be added to the payment, and the total sum shall be due and payable to the District.

Operator and the District hereby agree that such late charges represent a fair and reasonable estimate of the costs that District will incur by reason of Operator's late payment. Acceptance of such late charges (and/or any portion of the overdue payment) by District shall in no event constitute a waiver of Operator's default with respect to such overdue payment or prevent District from exercising any other rights and remedies granted hereunder.

10. RECORDS AND ACCOUNTS

10.1 Records. Operator shall, at all times during the term of this Agreement, keep or cause to be kept true and complete books, records, controls, and accounts of all financial transactions, including the CFC's as applicable, in the operation of all business activities, to be supported by source documents such as sales slips, cash register tapes, purchase invoices, rental car contracts or other pertinent documents.

10.2 The Accounting Year. The accounting year shall be twelve (12) calendar months, commencing on the first day of January and ending the last day of December.

11. ANNUAL RECONCILIATION

11.1 Concession Fees. The District will submit an annual reconciliation of concession fees within ninety (90) days of the end of each Accounting Year. No adjustment of concession fee and/or monthly Minimum Annual Guarantee Payments will be allowed from the Operator after one hundred fifty (150) days.

11.2 Customer Facility Charges. Within ninety (90) days of the end of each Accounting Year, Operator shall provide an annual reconciliation of CFC revenue, if applicable. The reconciliation shall be prepared and certified as to accuracy by a Certified Public Accountant or the Tenant's Financial Officer. Any substantiated overpayment will be refunded to Operator within forty-five (45) days of receipt or report. Underpayments will be billed.

Operator acknowledges that any and all of the "Financial Statements" submitted to the District pursuant to this Agreement are Public Record and subject to the public inspection. Income tax returns, if submitted to the District pursuant to this Agreement, shall be treated by the District as Confidential Business Information and therefore not subject to public inspection.

11.3 Audits. All Operator's books of account and records and supporting documents related to this Agreement or to business operations conducted within or from the Airport shall be made available to District upon reasonable notice. District shall, through its daily authorized agents or representatives, have the right to examine and audit said books of account, records, and supporting source documents at any and all reasonable times, upon prior written request, for the purpose of determining the accuracy thereof, and of the monthly statements of sales made, CFCs collected, and monies received. Income tax returns, if submitted to District pursuant to this Agreement, shall be treated by District as confidential business information and therefore not subject to public inspection, subject to applicable law.

The full cost of said audit, as determined by District, shall be borne by Operator either of the following conditions exists:

- A. Underpayment.** The audit reveals and underpayment of more than three percent (3%) between the fees due and reported and paid by Operator in accordance with this Agreement and the fees due as determined by said audit; and/or
- B. Adequacy of Records.** Operator failed to maintain true and complete books, records, and accounts and supporting source documents in accordance with Paragraph 10, entitled Records and Accounts. The adequacy of records shall be determined by District in its sole and absolute discretion.

Otherwise, District shall bear the cost of said audit, except expenses related to the audit of documents kept outside the limits of Monterey County.

Upon the request of District, Operator shall promptly provide, at Operator's expense, necessary data to enable District to fully comply with any requirement of the State of California or the United States of America for information or reports relating to this agreement and to Operator's use of the Airport. Such data shall include, if required, a detailed breakdown of Operator's receipts and expenses.

C. Possessory Interest/Taxes. Pursuant to Section 107.6 of the California Revenue and Taxation Code, Operator's interest in the Premises may be subject to property taxation on the possessory interest created by this Agreement. Operator agrees to pay, before delinquency, all lawful taxes, including taxes on Operator's possessory interest, which, during the term hereof, may be or become a lien or be levied upon the real property, improvements or personal property situated upon the Premises, or upon the subject matter of this Agreement.

12. ASSUMPTION OF RISKS

Operator represents that Operator has inspected said Airport and Premises, and all facilities thereupon and in connection therewith, and that Operator accepts the condition of same and fully assumes all risks incidental to use thereof. District shall not be liable to Operator for any damages or injuries to the property of person, or to other agents, employees, or business visitors of Operator, which may result from hidden, latent, or other dangerous conditions upon said Airport Premises or which may result from any condition of fire, construction, earthquake, flood, rainfall, or escape from any channel, regardless of the cause thereof.

13. DESIGNATION, ALLOCATION AND/OR RELOCATION OF READY PARKING SPACES/TOWER VEHICLE STORAGE SPACES/OVERFLOW VEHICLE STORAGE AREA

13.1 Allocated Spaces. District has initially allocated to Tenant the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces, and the amount of Overflow Vehicle Storage Area within the Premises as is set forth in Exhibits "C", "D", and "E" attached to this Agreement. District reserves the right, from time to time, to reallocate the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces and the amount of Overflow Vehicle Storage Area among the various rental car operators at the Airport, based on the market share held by each Operator or other reasonable means as District may in its reasonable business judgement they choose to employ.

13.2 Review of Market Share. District shall review rental car operator's market share each April. Market share data will compare the Gross Receipts reported to District for

the twelve months preceding April 1 (twelve months: April 1 through March 31). District shall reallocate the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces and amount of Overflow Vehicle Storage Area among the rental car operators based on this analysis effective on May 31 each year. District shall have the right to relocate said Ready Parking Spaces, Tower Vehicle Storage Spaces and Overflow Vehicle Storage Area to other locations in the designated areas for other District purposes.

14. IMPROVEMENTS

Tenant shall not make any structural, mechanical, utility, appliance or sign changes, alterations, additions, or modification to the Premises or construct or install any new improvements to the Premises or enter into any contract for making of any or more of such, without the prior written consent of Airport's Executive Director. If Tenant desires to make improvements to the Premises, the proposed work of improvement presented to Airport's Executive Director in written form together with two sets of detailed plans for the proposed work. The District shall have thirty calendar days within which to approve or disapprove Tenant's proposal. If not approved by District in writing within the thirty-day period, the proposal shall be deemed to have been disapproved. District may condition its approval on the payment by Tenant to District or others of permitting fees. Tenant shall protect the Premises and District from any liens or other charges whatsoever, by reason of Tenant's improvements. In the event Tenant performs any work of improvement to the Premises without the consent of Airport's Executive Director, District may require that Tenant remove any and all improvements at Tenant's cost and expense. In each instance, the consent of Airport's Executive Director to any such alterations, additions, modifications, or improvements shall be deemed conditioned upon Tenant's full and faithful compliance with the provisions of this Agreement. Tenant further agrees that no banners, pennants, flags, eye catching spinners or other advertising devices, nor any temporary signs shall be permitted to be flown, installed, placed, or erected on the Premises without the prior written consent of Airport's Executive Director.

15. TITLE TO IMPROVEMENTS

Improvements of any kind placed on the Premises by Tenant shall, at the option of the District, be removed by Tenant at Tenant's expense on or by the termination date of this Agreement. As to any or all improvements owned by Tenant for which the District does not exercise the option for removal, title to those improvements shall vest in District without the cost to District without any payment to Tenant upon termination of this Agreement. Machines, appliances, equipment, and trade fixtures of any kind placed in the Premises by Tenant shall be removed by Tenant at the expiration or sooner termination or the term of this Agreement. Tenant agrees to repair any and all damage occasioned by the removal. If any machine, appliances, equipment, or trade fixtures are not removed within thirty days after the termination of this Agreement, they may be considered abandoned and shall become the property of District without cost to District and without payment to Tenant; except that

District shall have the right to have them removed at the expense of Tenant. During any period of time employed by Tenant remove machines, appliances, equipment, or trade fixtures extending beyond the expiration of earlier termination of this Agreement. Tenant shall continue to pay the full rental and other fees to District.

16. MAINTENANCE, CLEANLINESS, ALTERATIONS AND ADVERTISING

16.1 Maintenance. District agrees to keep the roof, exterior walls, plumbing and heating facilities, and the basic electric distribution system of Tenant's counter and office space in good repair; provided however, that Tenant shall be responsible for all damage to District's property caused by any willful act of negligence of Tenant, its agents or employees. District agrees to provide janitorial service for the public space in the Terminal and to keep the public and passenger space in the terminal adequately supplied and equipped. District shall maintain adequate directional signs in the Terminal. Tenant assumes full and exclusive responsibility and liability for any damage or injury to any of Tenant's personal property, equipment, fixtures, and facilities at, in and about the Airport, and for any and all personal property belonging to others in Tenant's custody or possession at the Airport.

16.2 Cleanliness. Tenant agrees to keep the Premises clear and free of all litter, garbage, debris, refuse, and to keep such Premises and area in an orderly and sanitary condition at all times.

16.3 Signage and Advertising. Tenant shall obtain prior written approval from Airport Executive Director prior to erecting or displaying any directional signs at or on the Airport, which approval shall not be unreasonably withheld. Any and all advertising desired by Tenant on Airport property must be placed through the Airport's exclusive advertising concession operator.

17. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS

Tenant shall, at Tenant's sole cost and expense, comply with all rules, regulations, ordinances, statutes and laws of all county, municipal, state, federal and other governmental authorities, now or hereafter in effect pertaining to the Airport, the Premises, or Tenant's use thereof.

18. PERMITS

Tenant shall obtain and pay for any and all permits required by all federal, state, and local government entities for any and all work on alterations, additions, modifications, installations, or improvements accomplished by Tenant or by others on behalf of or for the benefit of Tenant or caused or allowed to be accomplished by Tenant on the Premises. Any consent from Airport's Executive Director required under this Agreement shall be separate from any other consents or approvals required by any federal, state, or other governmental agency.

19. DISTRICT RULES AND REGULATIONS

District reserves the right to adopt, amend and enforce rules and regulations governing the Premises and the public areas and facilities used by tenant in connection therewith. Such rules and regulations shall be consistent with the safety, security, and all public utility of the Airport and with the rules, regulations, and orders of the Federal Aviation Administration (“FAA”) and Transportation Security Administration (“TSA”), and such rules and regulations shall not be inconsistent with the provisions of this Agreement, or the procedures prescribed and approved by the FAA, or TSA with respect to the operation of the Airport. Tenant agrees to observe, obey, and abide by all such rules and regulations heretofore or hereafter adopted or amended by District, including compliance with FAA, TSA and airport security rules, regulations and plans. With respect to the Premises, it shall be the responsibility of Tenant to take all necessary measures to carry out requirements imposed by the TSA on District as operator of the Airport pursuant to the access control system requirements of Section 1542 of Title 49 of the Code of Federal Regulations or to other requirements of 1542; and Tenant may be required to pay any and all civile penalties imposed by the TSA on District in the event that Tenant fails to carry out any such security requirements.

20. INTERRUPTION OF UTILITY SERVICE

Tenant hereby expressly waives any and all claims for damage against District arising from failure or interruption of utility services including but not limited to, electricity, gas, water, plumbing, heat, ventilation, or air conditioning.

21. INDEMNITY AND INSURANCE

21.1 Damages. This Agreement is made upon the express condition that Tenant hereby waives all claim against District for damages to property or for injury or death to any person or persons from any cause excepting however, the negligence of District or any of its agents, employees or servants arising at any time.

21.2 Insurance Coverage. Upon execution of this Agreement and prior to Tenant’s exercising any of the rights and privileges herein granted, Tenant shall, at Tenant’s expense, obtain and, throughout the life of this Agreement, maintain in full force and effect, a broad form commercial coverage policy or policies of public liability insurance protecting both Tenant and District from claims of bodily injury and property damage which may arise out of Tenant’s occupancy(ies) and use(s) of the Premises or any portion thereof, or which may arise as a result of any one, more, or all of Tenant’s activities/operations on, to, or from the Airport under authority of this Agreement. The required insurance shall include bodily injury and property damage limits of not less than \$1,000,000 combined single limits. The general liability policy shall include Blanket Contractual Liability and Products Liability coverage. Tenant shall maintain Worker’s Compensation and Employers’ Liability policies in accordance with laws of the State of California and providing coverage for all employees of Tenant. All general liability policies shall name District as an additional insured where their interest may

appear for liabilities arising in whole or in part by the conduct of the Tenant or Tenant's customers. Insurance shall be with a company or companies with an AM Best rating of A- or better in the amounts of not less than the specified herein or in minimum amounts as may be subsequently adjusted by District in the exercise of its reasonable business judgment. Tenant shall always during the term of this Agreement, including any extensions or renewal of this Agreement, provide District with a certificate from the insurance carrier or carriers insuring District and Tenant as required by this section. Insurance policies shall provide written notice to District at least thirty (30) days prior to cancellation. Where policies have normal expirations during the term of this Agreement or of any extension of this Agreement, written evidence of renewal shall be furnished to District at least thirty days prior to expiration.

22. WAIVER OF SUBROGATION

The Parties release each other and their respective authorized representatives from claims for damage to any person or the Premises and to the fixtures, personal property, Tenant improvement and alterations by District or Tenant in or on the Premises that are caused by a result from the risks insured against under any insurance policy carried by either Party and in force at the time of any such damage to the extent of the insurance proceeds received from such policy. Each Party shall cause each insurance policy obtained by it to provide that the insurance company waives all right to recovery by way of subrogation against either Party in connection with any damage by any policy. If the issuance cannot be obtained or the Party in whose favor a waiver of subrogation is desired to pay the additional premium charged, the other Party is relieved of the obligation to obtain a waiver of subrogation with respect to the particular insurance involved.

23. TAXES AND ASSESSMENTS

Tenant shall pay, as and when due (but not later than fifteen days prior to the delinquency date) any and all taxes and general and special assessments of any and all types or description whatsoever which, at any time during the term of this Agreement are levied upon or assessed against Tenant, the Premises or any one or more of the improvements belonging to District or Tenant, or upon Tenant's interests in the Premises, improvements, or other property.

24. TENANT'S RIGHT TO APPEAL

Nothing within this article shall be deemed to limit any of Tenant's rights to appeal any levies or assessments in accordance with the rules, regulations, laws, statutes, or ordinances governing the appeal process of the taxing authority making such levies or assessments.

25. DEFAULT

It is mutually understood and agreed that if any default be made in the payment of rent

or other charges dues under this Agreement or in the performance of the other covenants, conditions, or agreements contained in this Agreement, or if Tenant fails to fulfill in any manner that uses and purposes for which the Premises are rented, and if such detail is not to be cured within three days after the provision of written notice if the default is in the submittal of a report, in the payment of rent or in the performance of any other monetary obligation, or ten days after the provision of written notice if the default is in the performance of any non-monetary or other obligation, then District shall have the right to immediately terminate this Agreement. District shall further have all other rights and remedies as provided by law, including without limitation the right to recover damages from the detriment proximately caused by Tenant's failure to perform under this Agreement.

26. ASSIGNMENT AND SUBLETTING

Assignment of this Agreement is prohibited. Without District's prior written consent, which shall not unreasonably be withheld, Tenant (including without limitation) any subtenant shall not either voluntarily or by operation of law hypothecate or encumber this Agreement or any interest in this Agreement, permit the uses of the Premises by any person or persons other than Tenant or sublet the Premises or any part of the Premises. Any transfer of this Agreement from Tenant by merger, consolidation, or liquidation, or the sale, conveyance, transfer by bequest of inheritance, or other transfer of a controlling interest in Tenant shall constitute an assignment of purposes of this Agreement. District's consent to a subletting shall not constitute a waiver of the necessity for such a consent to a subsequent or further subletting, whether by Tenant or any subtenant. Tenant acknowledges that District may evaluate the potential impact of a subtenant's operations on noise, traffic, parking, and other such factors in determining whether or not to give District's consent, and Tenant agrees that a denial of consent because of such concerns shall not be unreasonable.

27. DAMAGE OR DESTRUCTION OF PREMISES

In the event of damage to or destruction by fire, the elements, acts of God, or any other cause of Tenant-constructed improvements located within the Premises or in the event Tenant-constructed improvements located within the Premises are declared unsafe of occupancy by a public entity with the authority to make and enforce such a declaration, Tenant shall, within ninety days of such damage, destruction commence and diligently pursue to completion the repair, replacement, or reconstruction of improvements necessary to permit full use and occupancy of the Premises for the purposes required by this Agreement. Repair, replacement, or construction of improvements within the Premises shall be accomplished in a manner according to plans approved by District; provided, however, the Tenant shall not be obligated to repair, reconstruct, or replace the improvements following their destruction in whole or substantial part except to the extent the loss is covered by insurance carried by Tenant.

28. BANKRUPTCY

If Tenant becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Tenant's interest under this Agreement, District shall have the right to declare this Agreement in default.

29. RECORDS, REPORTS, AND AUDITS

29.1 Records. In order to ensure the availability of complete, up to date, and verifiable records with respect to any and all business conducted/done by Tenant under the authority of this Agreement. Tenant shall maintain and keep true and accurate accounts, records, books, and data, in accordance with generally accepted accounting principles, which shall, among other things, clearly and accurately show all sales made and services for cash, credit, or otherwise (without regard to whether pair or not); Gross Receipts; and the aggregate amount of sales, services, orders, and all of Tenant's business at Airport, or elsewhere under authority of this Agreement. All accounts, records, books, data, and any and all source, supporting, supplemental and/or backup documentation, including without limitation, any and all electronic data processing/machine/computer generated/retrievable records, reports, files, and registers, and/or computer tapes, disks, whether maintained by Tenant in Monterey or elsewhere, shall be retained by Tenant for a minimum of three years following the date on which they were created. Tenant, using either pre-printed, serially numbered blank-form type documents designed to be completed by hand, or serially numbered machine/computer-generated forms/documents, or a combination of these, shall ensure that a written receipt and/or Rental/Sale Agreement shall be issued for each and every rental, sale, and/or other transaction, whether for cash or credit or otherwise, which shall reflect all receipts associated with the rental/sale or other transaction to which the serially numbered document shall pertain.

29.2 Reports. Commencing with the month during which the effective date of this Agreement occurs, and then continuing monthly thereafter throughout the life of this Agreement, Tenant shall prepare and submit to District a detailed monthly statement showing the Gross Receipts of the business (broken down by the components identified in Section 6.2). The statements shall be prepared and submitted by Tenant with sufficient timeliness so as to be delivered not later than the twentieth calendar day of the month for which such statement shall be due. Tenant shall, within three months following the end of each complete operating year (i.e., the twelve-month period commencing July 1 and ending Jun 30) submit to District a detailed annual statement of Gross Receipts (broken down by components identified in Section 6.2) from the rental car business conducted by Tenant under authority of this Agreement, for the immediately preceding operating year. The annual statements shall be certified by Tenant's Financial Officer to be a complete, true, and accurate accounting of all Gross Receipts.

30. HAZARDOUS SUBSTANCES

The provision of this Section, which govern Tenant's obligations with regard to hazardous substances, as defined below, shall survive termination of this Agreement.

30.1 Definition of Hazardous Substances. For purposes of this Agreement, "Hazardous Substances" is defined to mean any substance, material, or waste, including asbestos and petroleum (including crude oil or any fractions thereof), which is or becomes designated, classified, or regulated as being "toxic", "hazardous" a "pollutant", or similar designation under any federal, state, or local law, regulation, or ordinance.

30.2 Indemnity Regarding Hazardous Substances. Tenant agrees to indemnify and hold District harmless from and against all liabilities, claims, actions, foreseeable and unforeseeable consequential damages, costs and expenses (including sums paid in settlement claims and all consultant, expert and legal fees and expenses of Tenant's counsel) or loss directly or indirectly arising out of or resulting from the presence of any Hazardous Substances as a result of Tenant's or any subtenant's activities, whether before, during or after construction, in and around any part of the property or the soil, groundwater, or soil vapor on or under the property, including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, or any resulting damages or injuries to the person or property of any of their parties or to any natural resource. Upon demand by District, Tenant shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location which affects the property, or which is brought or commenced against District, whether alone or together with Tenant, or any other person, all at Tenant's own cost and by counsel to be approved by District in the exercise of its reasonable judgement. In the alternative, District may elect to conduct its own defense at the expense of Tenant.

30.3 Compliance Regarding Hazardous Substances. Tenant has complied and shall comply and cause all occupants of the Premises to comply, with all laws, regulations, and ordinances governing or applicable to Hazardous Substances which apply or pertain to the Premises. Tenant acknowledges that Hazardous Substances may permanently and materially impair the value and use of the Premises. Tenant acknowledges that Material Safety Data Sheets (MSDS) shall be submitted to District should Hazardous Materials be stored in excess of reasonable quantities required for Tenant operations.

30.4 Notice Regarding Hazardous Substances. Tenant shall promptly notify District if it knows, suspects, or believes there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater, or soil vapor or under the property, or that Tenant or the Premises may be subject to any threatened or pending investigation by any governmental agency under law, regulation or ordinance pertaining to any Hazardous Substance.

30.5 Site Visits, Observations, and Testing. District and its agents and representatives shall have the right at any reasonable time to enter and visit the Premises for the purpose of observing the Premises, taking, and removing solid or groundwater samples, and conducting tests on the Premises. District is under no duty, however, to visit or observe the Premises or to conduct these tests. No site visit, observation or testing by District shall result in a waiver of any default of Tenant or impose any liability on District. In no event shall any site, observation or testing by District be a representation that Hazardous Substances are or are not present in, or under the Premises, or that there has been compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. In each instance, District shall give Tenant reasonable notice before entering the Premises or any other place District is permitted to enter under this Section. District shall make reasonable efforts to avoid interfering with Tenant's use of the Premises or any other property exercising any right provided in this Section.

31. NON-DISCRIMINATION

Tenant shall always abide by the requirements of the Standard Non-Discrimination and Airport Development Provisions for Leases attached as Exhibit "F". As used in Exhibit "F" the term "Lessee" shall be deemed to refer to Tenant and the term "Lease" shall be deemed to refer to this Agreement.

32. COMPLIANCE WITH RULES AND REGULATIONS

Tenant shall at Tenant's sole cost and expense and at all times during the term of this Agreement or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, and laws which have been or may be promulgated by District relating to the Premises and the use of facilities of the Airport including all fire regulations, noise control regulations and security regulations. Such rules and regulations are hereby made a part of this Agreement and Tenant's failure to keep and observe the rules and regulations shall constitute a breach of terms of this Agreement in like manner as if the same were contained herein as covenants and conditions. District reserves the right to amend or supplement the rules and regulations and to adapt additional rules and regulations applicable to the Premises, to Tenant's use of the Premises, and the use of the facilities of the Airport, District shall have no obligation to Tenant as a result of violation of any such rules by any other person. Tenant shall always obey the statutes, codes, ordinances, laws and regulations of the United States of America, the State of California, the County of Monterey, and any other governmental entity having jurisdiction as the same may from time to time be amended during the term of this Agreement.

33. COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS

Tenant shall ensure that its use of the Premises and operations are at all times in compliance with Federal Water Pollution Control Act, National Pollutant Discharge

Elimination Permit, and the Monterey Peninsula Airport District Storm Water Prevention Plan.

34. ATTORNEY'S FEES

In the event any suit is commenced to enforce, protect, or establish any right or remedy of any terms and conditions hereof, including without limitation a summary action commenced by District under laws of the State of California resulting to unlawful detainer, the prevailing Party shall be entitled to have and recover from the losing Party attorney's fees and cost of suit.

35. ACCESS BY DISTRICT

Tenant shall permit District and its agents to enter the Premises at all reasonable times for any appropriate purpose, including, without limitation, the following purposes:

To inspect the Premises; to maintain the Airport; to maintain or make such repairs to the District as obligated or may elect to make; to make repairs, alterations, or additions to any other portion of the Airport; to post notices of non-responsibility for alterations, additions, or repairs; and to show the Premises to prospective purchasers or Tenants.

District's right of entry shall be without any rebate of rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises occasioned by District's entry.

36. TIME

Time is of the essence of this Agreement and each and every one of the provisions of this Agreement except in respect to delivery of possession of the Premises to Tenant.

37. ENTIRE AGREEMENT

This Agreement sets forth all the covenants, agreements and conditions between the Parties concerning the Premises and there are no other covenants, promises, agreements, conditions, or understandings either in oral or written between them. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by each of them.

38. NOTICES

Wherever notice is required by the terms of this Agreement, notice shall be deemed complete upon personal service of written notice upon the Party to whom such notice is given, or such notice may be given by prepaid U.S. first-class mail addressed as follows:

If to District:
Monterey Peninsula Airport District
ATTN: Airport Executive Director
200 Fred Kane Drive, Suite 200
Monterey, CA. 93940

With Copy to
Cole Huber LLP
Attn: MPAD District Counsel
2281 Lava Ridge Court #300
Roseville, CA 95661

If to Tenant:
Avis Budget Group
6 Sylvan Way
Parsippany, NJ 07054
Attn: Vice President/General Manager

And such notice shall be deemed complete upon the deposit with the State of California.

39. CAPTIONS

The headings and titles to the articles, sections or paragraphs of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

40. APPLICABLE-LAW

The laws of the state of California shall govern the validity, performance, and enforcement of this Agreement.

41. FORCE MAJEURE

Any prevention, delay or stoppage due to strikes, walkouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substance therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the Party obligated to perform, shall excuse the performance by such Party for a period equal to any such prevention, delay, stoppage, except for the obligation imposed with regard to rental and other charges to be paid by Tenant pursuant to this Agreement.

42. PARTIAL INVALIDITY

If any term, covenant or condition of this Agreement or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each term, covenant and condition shall be valid and enforced to the fullest extent possible permitted by law.

43. TENSE, NUMBER AND GENDER

Each number, tense and gender used in this Agreement shall include any other tense, number, or gender, where the context and the Parties hereto or the context and references therein shall require. If Tenant shall consist of more than one person, all of the terms, covenants and conditions of this Agreement shall be joint and several as to Tenant.

44. NO PARTNERSHIP

District is not in any way or for any purpose a partner to Tenant in the conduct of its business or otherwise, or a joint ventures or a member of a joint enterprise with Tenant. The Provisions of this Agreement relating to the rent and other fees hereunder are included for the purpose of providing a method whereby the rent is measured and ascertained.

45. EXHIBITS INCORPORATED

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement by reference as though fully set forth herein, whether attached.

46. COUNTERPART COPIES

This Agreement may be signed by any number of counterparts with the same effect as if the signature to each such counterpart were upon the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the day and year first above written.

**MONTEREY PENINSULA
AIRPORT DISTRICT**

AVIS BUDGET GROUP

Michael La Pier, AAE
Executive Director

By :
Its :

APPROVED AS TO FORM:

Scott E. Huber, District Counsel

EXHIBIT A

Listed below are the Premises rented by Tenant (Article 2) with rental rates and monthly charges set by District beginning May 1, 2023 – January 31, 2024

AVIS

- A. **Office Space.** 124 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$546.00.
- B. **Counter Space.** 245 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$1,078.00.
- C. **Ready Parking Spaces. May 1, 2023 – January 31, 2024:** 29 ready parking spaces at \$40.00 per space for a monthly rental fee of \$1,160.00.
- D. **Tower Vehicle Storage Spaces. May 1, 2023 – January 31, 2024:** 24 vehicle storage spaces at \$29.25 per space for a monthly rental fee of \$702.00.
- E. **Overflow Vehicle Storage Area. May 1, 2023 – January 31, 2024:** 8,420 square feet of additional storage area at \$0.15 per square foot, for a monthly rental fee of \$1,263.00.
- F. **Electricity Fee.** 369 square feet (office space plus counter space) x \$0.85 rate for a monthly electricity fee of \$314.00, which electricity fee shall be considered additional rent.

TOTAL MONTHLY RENT.

1. **May 2023 (Items A-F).** \$5,063

BUDGET

- A. **Office Space.** 420 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$1,848.00.
- B. **Counter Space.** 259 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$1,140.00.
- C. **Ready Parking Spaces. May 1, 2023 – January 31, 2024:** 22 ready parking spaces at \$40.00 per space for a monthly rental fee of \$880.00.
- D. **Tower Vehicle Storage Spaces. May 1, 2023 – January 31, 2024:** 18 vehicle storage spaces at \$29.25 per space for a monthly rental fee of \$527.00.
- E. **Overflow Vehicle Storage Area. May 1, 2023 – January 31, 2024:** 6,186 square feet of additional storage area at \$0.15 per square foot, for a monthly rental fee of \$928.00.
- F. **Electricity Fee.** 679 square feet (office space plus counter space) x \$0.85 rate for a monthly electricity fee of \$577.00, which electricity fee shall be considered additional rent.

TOTAL MONTHLY RENT.

1. **May 2023 (Items A-F).** \$5,900

EXHIBIT B

Illustrated below are the office and counter space rented by Tenant (Section 3.1 and 3.2).

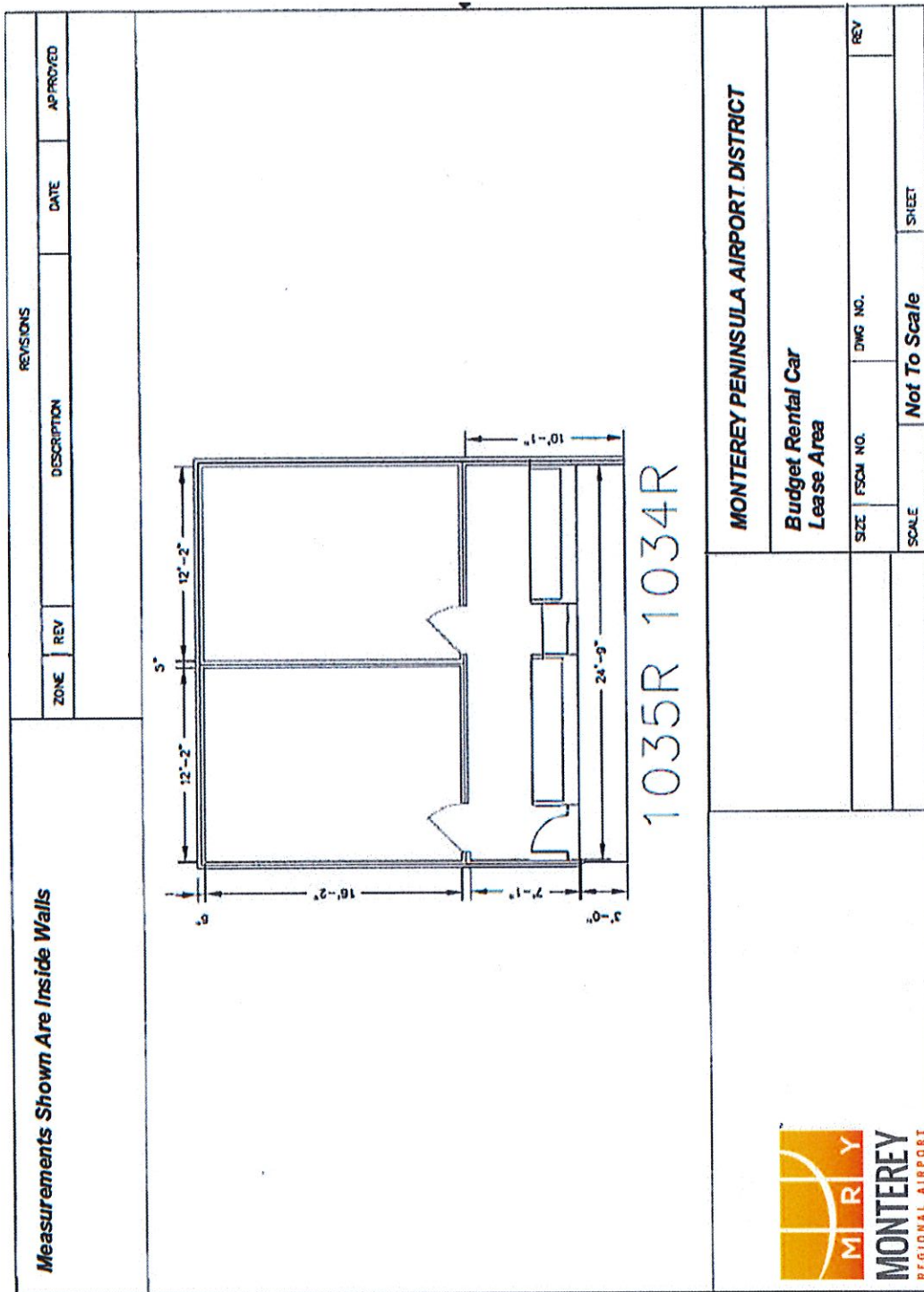


EXHIBIT B

Illustrated below are the office and counter space rented by Tenant (Section 3.1 and 3.2).

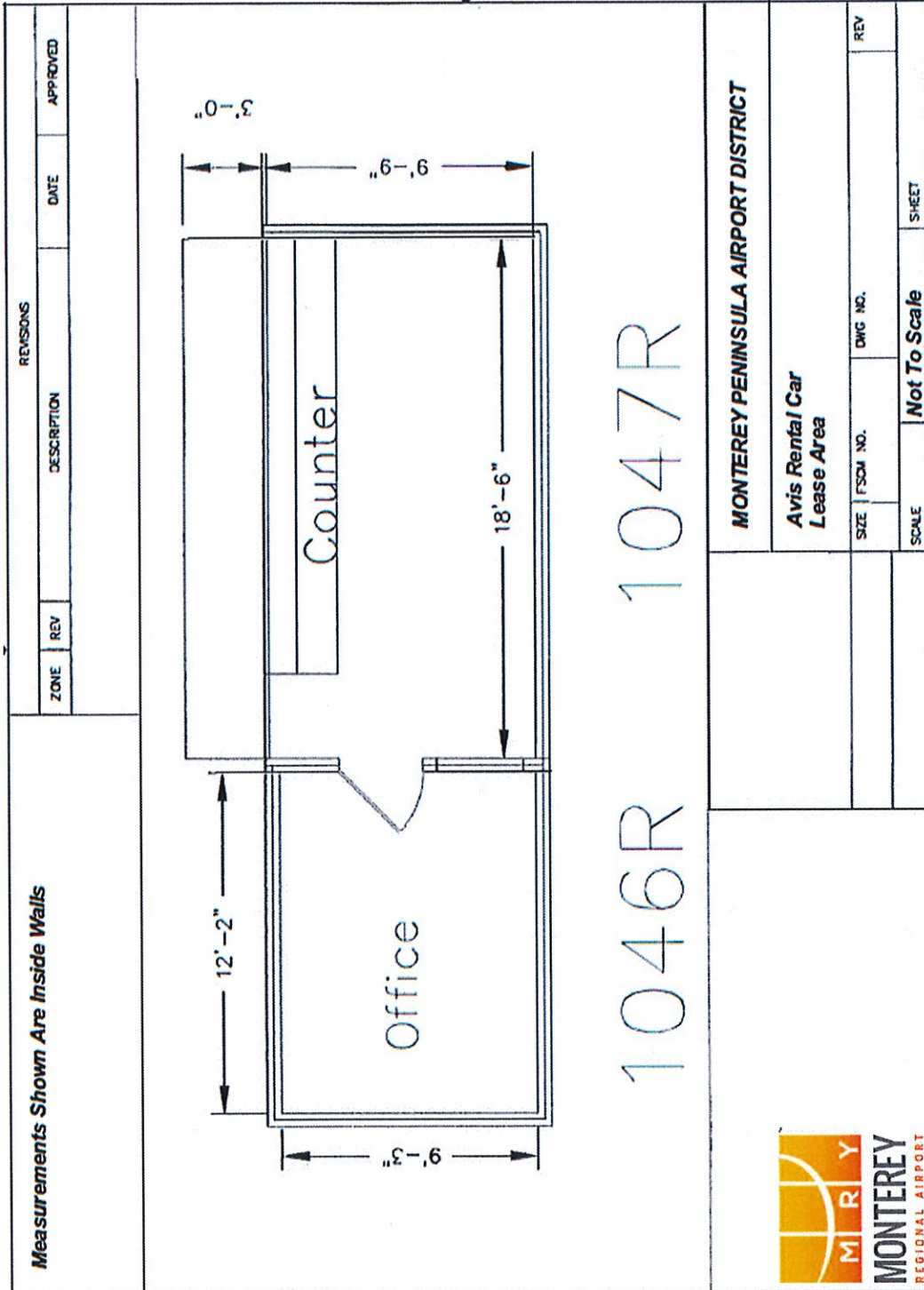


EXHIBIT C

Illustrated below are the ready parking spaces rented by Tenant (Section 3.3)

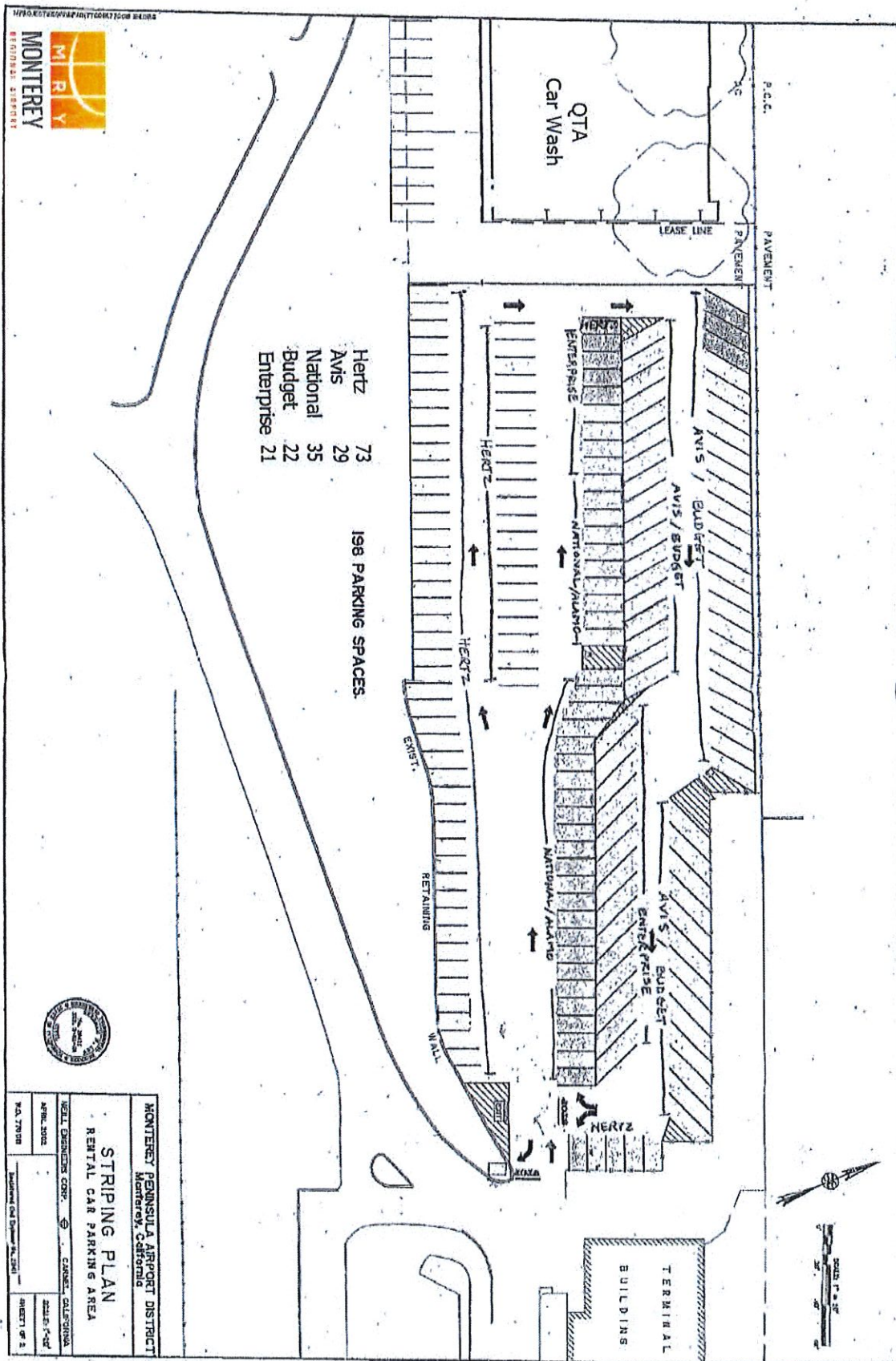


EXHIBIT D

Illustrated below are the tower vehicle storage spaces rented by Tenant (Section 3.4)

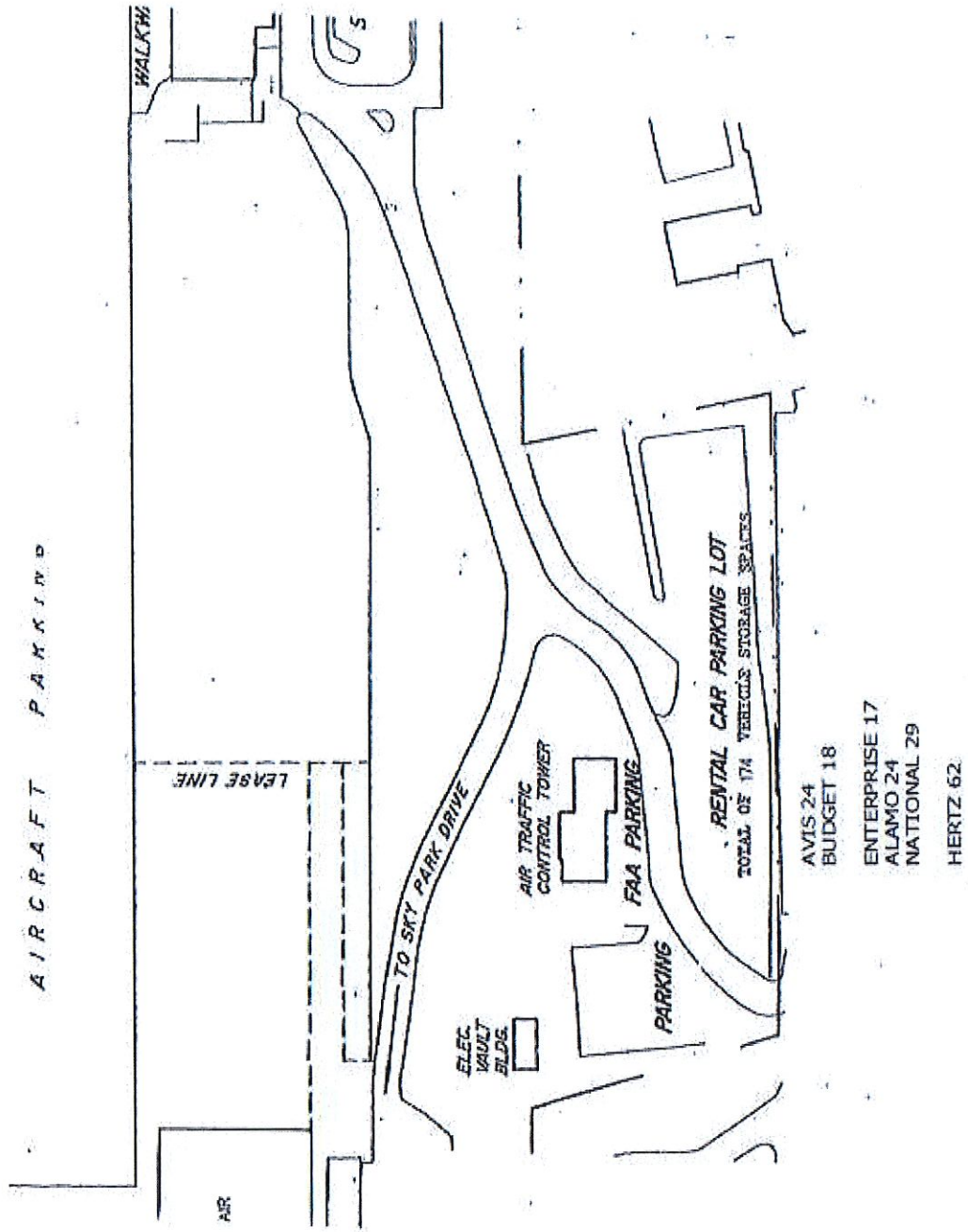


EXHIBIT E

Illustrated below is the overflow parking rented by Tenant (Section 3.5)

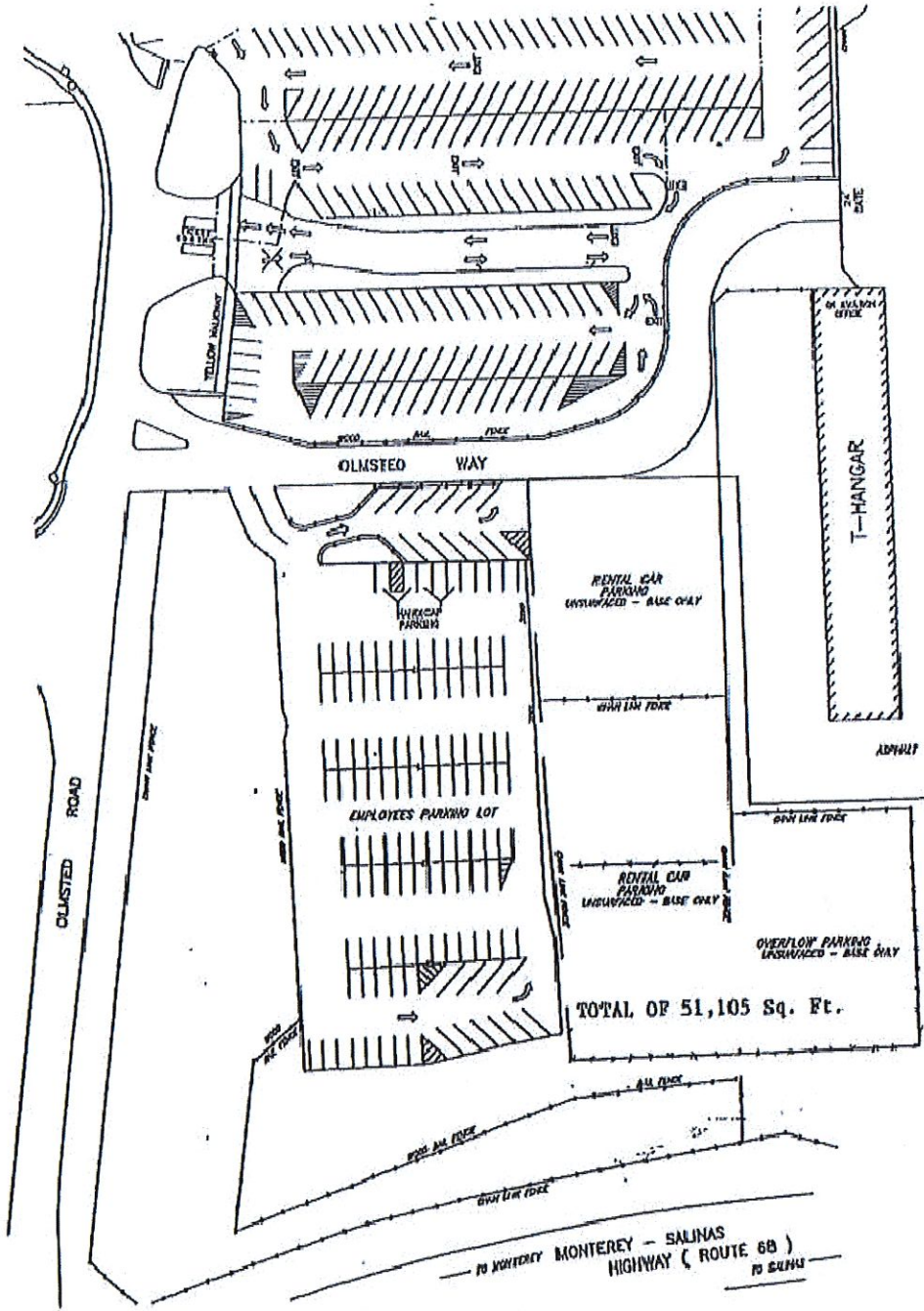


EXHIBIT F

STANDARD NONDISCRIMINATION AND AIRPORT DEVELOPMENT PROVISIONS AND LEASES

1. Lessee for himself/herself/itself and all heirs, personal representatives, successors in interest, and assigns, as a part of the consideration for these Lease to which these Standard Nondiscrimination and Airport Development Provisions for Leases are attached or made a part (hereinafter, the "Lease"), 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 said property described in the Lease (the "Premises") for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations (CFR), DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the DOT effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, 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 Premises 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, and (3) that Lessee shall use the Premises 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. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, does hereby covenant and agree as a covenant running with the land that in the event of breach of any of the above Nondiscrimination covenants, Lessor shall have the right to terminate the Lease and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Lessee shall furnish all accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchases.
5. Non-compliance with Provision 4 above shall constitute a material breach of the Lease and in the event of such non-compliance Lessor shall have the right to terminate the Lease and the estate thereby created with liability therefore or at the election of Lessor or the United States either or both said governments shall have the right to judicially enforce said provisions.
6. Lessee agrees that Lessee shall insert the above five provisions in any sublease, lease agreement or other contract by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Premises.
7. Lessee assures that Lessee will undertake and affirmative action program as required by 14 CFR Part 152, Subpart 3, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these ground from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures the Lessee will require that Lessee's covered suborganizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.
8. Lessor reserves the right to further develop or improve the landing area of the Monterey Regional Airport (the "Airport") as Lessor sees fit, regardless of the desires or view of Lessee and without interference or hindrance.
9. Lessor reserves the right but shall not be obligated to Lessee to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
10. The Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States, relative to the development, operation or maintenance of the Airport.

11. There is hereby reserved to Lessor, 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 Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation of the Airport.
12. Lessee agrees to comply with the notification and review requirements covered by Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.
13. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises covered by Part 77. In the event the aforesaid covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.
14. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Monterey Regional Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.
15. 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).
16. The Lease and all of the provisions thereof 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 the Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

**MONTEREY PENINSULA AIRPORT DISTRICT ON-AIRPORT RENTAL CAR
OPERATOR LEASE AND CONCESSION AGREEMENT**

THIS OPERATING AGREEMENT (“AGREEMENT”), dated as of May 1, 2023 (“Effective Date”) is made between the **Monterey Peninsula Airport District**, a special district of the State of California (“District” or “Airport”) and **Enterprise Rent-A-Car Co of San Francisco, LLC a Delaware limited liability company**, 2633 Camino Ramon #400, San Ramon Ca 94583, DBA Enterprise Rent A Car, Alamo Rent a Car and National Car Rental (“Tenant” or “Operator”), with reference to the following facts and objectives:

- A. District owns and operates the Monterey Regional Airport, a public airport located in the County of Monterey, State of California (“Airport”).
- B. Tenant is engaged in the management of an automobile business at the Airport commonly known as Enterprise Rent A Car and National Rent A Car, Alamo Rent A Car (National Alamo).
- C. District desires to grant and Tenant desires to hire and obtain certain rights, licenses, and privileges to operate at the Airport.
- D. District believes it is important to the travelling public that quality automobile transportation be available for hire or rental by air passengers arriving at the Airport and by other users of the Airport.

NOW, THEREFORE, District and Tenant agree as follows:

1. TERMINATION OF PRIOR AGREEMENTS AND SEPARATE APPLICABILITY OF AGREEMENT

This agreement shall terminate and supersede the Rental Agreement dated July 1, 1994 and June 12, 1995, respectively between District and Tenant, and the Rental Agreement dated July 1, 1994 and June 12, 1995 respectively between District and Tenant are of no further force and effect.

2. PREMISES

District rents to Tenant, and Tenant hires from District, those areas of the types described below, each as is more particularly defined or shown in Exhibit “A” attached to this Agreement (the “Premises”). Tenant shall use the Premises and Airport solely for the purpose of providing automobile rental services to the public.

3. TERM

The term of this Agreement shall commence on May 1, 2023 and shall terminate on January 31, 2024 (“Initial Term”). Upon completion of the Initial Term, this Agreement will automatically renew and continue for successive one (1) year terms (“Successive Term”), unless a written notice of non-renewal is delivered by a Party to the other Party no later than one hundred eighty (180) days prior to the completion of the Initial Term or Successive Term, or unless this Agreement is sooner terminated pursuant to the provisions of this Agreement.

3.1 Office Space. Multi-purpose office space located in the Airport Terminal as depicted on Exhibit "B".

3.2. Counter Space. Multi-purpose counter space adjacent to the office space in the Airport Terminal as depicted in Exhibit "B". Any portion of the counter space area that is within the common-use corridor of the corridor of the Airport Terminal shall be rented to Tenant on a non-exclusive basis.

3.3 Ready Parking Spaces. Ready parking spaces within a common-use lot adjacent as depicted on Exhibit "C".

3.4 Tower Vehicle Storage Spaces. Vehicle storage spaces within the common-use lot located east of the FAA Tower Parking Area as depicted on Exhibit "D".

3.5 Overflow Vehicle Storage Area. Unimproved parking area within a common use lot located in the vicinity of the intersection of Highway 68 and Olmsted Road as depicted on Exhibit "E".

3.6 Substitute Property. The Parties acknowledge that the District intends to construct a new terminal. In the event that the District determines, in its sole and absolute discretion, that it needs to reacquire any of the property leased to Tenant through this Agreement, the District shall provide substitute property in similar size and functionality as the property that the District reacquires. The District shall provide as much notice as possible to Tenant prior to the reacquisition of property, but in no event shall the Tenant receive less than ninety (90) days' notice.

4. TENANT'S RESPONSIBILITIES

4.1 Equipment and Fixtures. Tenant, at its own cost and expense, will be required to provide in its concession area all equipment, fixtures, decorations, materials and supplies which Tenant may need to conduct the rental car operation in a first-class, business-like manner, and all of which shall be of high quality, safe, modern in design, attractive in appearance and in keeping with the general architecture and décor of the Airport Terminal's facilities, and all of which shall be subject to written approval of Airport's Executive Director prior to installation.

4.2. Business Hours. Tenant's business hours shall remain open to serve seven days per week from 40 minutes before the time of the first scheduled airline arrival, to a time that is least forty minutes after the actual time, scheduled or delayed, of the last airline arrival. If Tenant operates from more than one counter, then Tenant shall be permitted to staff the multiple counters with a single employee. Tenant's schedule of business hours shall be subject to periodic review upon the written request of Tenant to Airport's Executive Director or Airport's Executive Director to Tenant. As a result, Airport's Executive Director may require an expansion or allow reduction of the hours of operation as public demand requires. In addition to any other remedies available to District as outlined in this Agreement, in the event that

Tenant Client fails to operate the counter with personnel during the business hours outlined in this paragraph, the District will suffer a substantial injury for which it is impracticable or extremely difficult to fix actual damages. In an effort to establish, or liquidate, in advance the sum that should represent such damages, Tenant agrees to pay District \$500.00 per day for each and every day that the Tenant fails to operate the counter with personnel during the business hours outlined in this paragraph. The Parties acknowledge and agree that the sums payable under this paragraph shall constitute liquidated damages and not penalties and are in addition to all other rights of the District, including the right to call a default under this Agreement.

4.3 Supervision. Tenant shall always retain an active, qualified, competent, and experienced representative, authorized to represent, and act for Tenant, to supervise its operations at the Airport. During any temporary periods of absence by Tenant's representative, an alternate representative of Tenant with like authorization must be present. Tenant shall always keep Airport's Executive Director advised as to who Tenant's representative is and how immediate communication can be established with that representative on a 24-hour basis in the event of an emergency.

4.4 Employees. Tenant's employees shall be clean, courteous, efficient, and neat in appearance. Tenant shall not employ any persons in or about the Airport who shall use improper language or act in a loud or boisterous or otherwise improper manner. While on duty and in public view, employees shall limit the use of cell phones and earphones. Upon written notification to Tenant that any person employed by Tenant at the Airport, is, in the District's opinion, disorderly, discourteous, unkempt, or otherwise unsatisfactory, immediate, and appropriate corrective action shall be taken by Tenant to ensure that such unsatisfactory and unacceptable conduct does not reoccur.

4.5 First-Class Operation. Tenant shall operate the rental car operation in a first-class manner, in accordance with the highest standards for this type of service at other airport terminals and within the rental car industry. The rental car service shall be prompt, clean, courteous, efficient, and otherwise of the highest quality, and adequate to meet all reasonable demands for rental car services at the Airport.

4.6 Number and Condition of Automobiles. Tenant, at its own cost and expense, shall always maintain on the Airport an adequate number of automobiles to reasonably meet the public demand. All automobiles shall at all times be maintained by Tenant, at its own cost and expense, in good operating order and free from known mechanical defects and shall be kept in clean, neat, and attractive condition, inside and out.

4.7 Vehicles Sales. Tenant shall not operate vehicle sales on the Premises without first obtaining the written consent of Airport's Executive Director, which shall not be unreasonably withheld, and provided that such vehicle sales

operations shall be subordinated to all of Tenant's rental car operations at the Airport. District shall have strict control of this activity and may at any time immediately suspend this activity if, in the sole discretion of Airport's Executive Director, the vehicle sales operation adversely impacts the Airport. The use of any signs, spotlights, balloons, banners, or other promotional type of activities which are commonly used in connection with vehicle sales operations are strictly prohibited. All revenue generated from vehicle sales operations conducted on Airport property shall be considered Gross Revenue.

5. CONCESSION AND FACILITY FEES

5.1 Minimum Annual Guarantee and Percentage Fee. Tenant shall pay to District as compensation for the concession privileges granted under the Agreement the greater of the Minimum Annual Guarantee or a Percentage Fee equal to ten percent (10%) of the Gross Receipts derived by Tenant from the operation of its automobile rental business, at the Airport, as authorized by the Agreement.

5.2 Minimum Annual Guarantee. The Minimum Annual Guarantee (MAG) for the first year of this agreement shall be Three Hundred Sixty Thousand Dollars (\$360,000.00) per year. The MAG for each Successive Term of this Agreement shall be 85% of the Tenant's actual Concession Fee paid to the District for the previous contract year of this agreement, but in no event shall the MAG drop below Three Hundred Sixty Thousand Dollars (\$360,000.00) per year.. For any period of less than one (1) calendar year that this Agreement shall be in effect, the Minimum Annual Guarantee shall be calculated on a pro rata basis. Payments of one-twelfth (1/12) of the MAG shall be due in advance without demand, offset of invoice of the first (1st) day of each month during the term of this Agreement.

Percentage Fee. The Percentage Fee for each year of this agreement shall be calculated as ten percent (10%) of Gross Receipts from all business operations conducted on the Premises in accordance with Section 6.2.

5.3 Payment of Minimum Annual Guarantee, Percentage Fee, and Other Fees. All payments and fees shall be due and payable monthly in accordance with the provisions of Paragraph 9.

5.4 Tenant's Right of MAG Abatement. In the event that the following condition exists during the term of this Agreement, the minimum annual guarantee hereinabove provided for in Section 5.2 above shall be abated for the period of time the condition exists:

A. A major traffic reduction at Airport. A major traffic reduction shall be defined as a fifteen percent (15%) reduction in the number of passengers deplaning on scheduled airline flights at the Airport, during any period of three (3) consecutive calendar months as compared to the number of such deplaning passengers in the same calendar months during the 2022 calendar year. For example, if May, June

and July have a traffic reduction of 17%, 20% and 26% respectively, then the 1/12th minimum annual guarantee payment beginning May would be abated.

B. If the major traffic reduction continues for additional months, the abatement will continue as well, until there are three (3) consecutive calendar months when traffic does not fall below the 15% threshold, at which time the full minimum annual guarantee payment shall be made beginning the following month.

C. This major traffic reduction can only be identified after any three-month period ends; however, the major traffic reduction exists for any three-month period when all three months had a not less than 15% reduction in passenger deplanements. Overpayments of the MAG will be credited to the Tenant during the year-end reconciliation process Section 8.

D. Tenant shall continue to pay the Percentage Concession Fee during this abatement period.

6. RENT

6.1 Commencement Date. Starting on the Commencement date of this Agreement and continuing each month thereafter, Operator shall pay the following rent to the District:

A. Airport Terminal Building Rent. Operator shall pay the current Airport Rates and Charges square footage rate for their uses and occupancy of a portion of the Airport Terminal Building as outlined in Exhibits “A” and “B”.

1. Tenant shall pay the current Airport Rates and Charges square footage rate for their uses and occupancy of a portion of the Airport Terminal Building as outlined in Exhibits “A” and “B”. Operator’s current monthly rate is \$4.40 per square foot. Adjustments to this rent will be in accordance with the Airport’s Rate and Charges modifications approved by the District and shall occur annually every July 1 throughout the term of this agreement. Initial rent shall be calculated as follows:

ENTERPRISE

| Monthly Rent | Monthly Rent Amount |
|-----------------|---------------------|
| Counter | \$533.00 |
| Stowage Parking | \$497.00 |
| Ready Park | \$840.00 |
| Office | \$902.00 |

NATIONAL /ALAMO

| Monthly Rent | Monthly Rent Amount |
|-----------------|---------------------|
| Counter | \$1,082.00 |
| Stowage Parking | \$848.00 |
| Ready Park | \$1,400.00 |
| Office | \$528.00 |

B. Parking Rent. If operator needs additional parking outside of the designated areas on Exhibits “C”, “D”, and “E”, Rental Car Parking, Return Lot and Staging Areas, the Airport, or Airport’s parking management company, will designate parking stalls, if available on the Airport for

additional automobile rental parking only. The charge for this parking will be listed in the Master Fee Schedule or Airport Rates and Charges under Vehicle Parking Fees; Landside Parking; Commercial Tenant Long-Term Lot Fee. Operator must give prior notice of the number of parking spaces that the Operator requires and pay the fee(s) in accordance with this section. Any automobile belonging to Operator found parked on the Airport (not including allocated parking spaces in Exhibits "C", "D", and "E") without permission shall pay the District the amount of \$50.00 per day per automobile until moved. Each unauthorized vehicle is also subject to ticketing by Airport personnel and/or any law enforcement agency having jurisdiction at the Airport; these fines will be in addition to the \$50.00 per day per unauthorized automobile charge.

6.2 Gross Receipts. Gross receipts shall include, but shall not be limited to, all revenues from the following:

- A.** The rental or sale of goods or services under this Agreement, including, but not limited to, all monies or other consideration generated or received by Operator for the conducts of business pursuant to this Agreement, unless specifically excluded below in section 6.3 "Exclusion from Gross Receipts". Gross Receipts shall be determined by the total of charges listed on a customer receipt less any items specifically excluded. All monies or other consideration shall include the following:
 - 1.** Time and Mileage Charges and Rental Charges; Fees for insurance coverage, including Loss Damage Waiver (LDW); Partial Loss Damage Waiver (PDW); Additional (Supplemental) Liability Insurance (ALI/SLI); Personal Accident Insurance (PAI); Personal Effects Protection (PEP); Extended Roadside Assistance; Emergency Sickness Protection; and all other insurance coverage items offered now or in the future during the term of this Agreement.
 - 2.** Fees for rental equipment, including child safety seats, satellite radio access, recreational gear and car racks for recreational gear, tire chains, personal computers, GPS systems, and any other equipment offered now or in the future during the term of this Agreement.
 - 3.** Additional fees charged to Customers, including: Additional and underage fees; Upgrade and exchange fees; Fees for fueling; Pre-paid and other petroleum products; Inter-County charges (drop fees); Transportation fuels; Early and late fee return fees; Parking fees, including fee for valet parking; toll device fees (excluding Tolls themselves); Tire and battery fees; Concession Recovery fees; Automobile license recovery fees; Frequent flyer recovery fees; Fees for miscellaneous services including road side assistance;

Other fees charged now or in the future during the term of this Agreement.

4. The value of coupons and vouchers purchased by corporations and tour companies, either in advance or invoiced after use, if the rental charges are not shown in the actual receipt.
5. The contacting for delivering, picking up, or renting of rental automobiles from the Airport property, regardless of ownership, area, fleet, or location assignment and without regard to manner in which, or place at which, the rental automobiles are ordered or furnished or where the rental automobiles are returned, and without regard to duration, or of where, how or by whom payment is made.
6. A transaction in which a rental automobile is exchanged elsewhere when the rental automobile was originally contracted for, delivered, supplied, or rented at the Airport. The Operator shall not allocate transactions to any other location, regardless of which city or location own the rental car, or where the rental car is ultimately returned.

6.3 Exclusion from Gross Receipts

- A. Each exclusion from Gross Receipts shall be segregated in the Operator's monthly statement of Gross Receipts under this Agreement.
- B. Any taxes now or hereinafter levied or imposed by any local, state, or federal law which are separately stated in the rental agreement are paid by the customer and which are directly payable to the taxing or tax collecting authority by the Operator. This exclusion shall include automobile license fees, if separately stated on the rental agreement are paid by the customer.
- C. Sums received as insurance proceeds or otherwise for damage to automobiles or other property of Operator; sums received for loss, coverage, or abandonment of Operator's automobiles; and amounts paid by customers or Operator and billed as separate charges to satisfy Operator's right to recovery from customers for damage to the automobile rented.
- D. Any sums received from the disposal or furniture, fixtures, and equipment.
- E. Any sums received from a customer for reimbursement of impound fees, Tolls, redlight tickets and parking tickets including the administration thereof.

- F. Fueling charges and CFCs
- G. Corporate discount rebates, but only to the extent that Operator provides auditable proof to District that the discounts or rebates are specifically attributable to rental agreements with customer at the Airport.
- H. Each transaction made during installment or credit shall be treated as a transaction for the full price in the month during which such charge or transaction occurs, regardless of when the Operator receives payment, whether full or partial.
- I. In no event shall the Operator's Gross Sales from any transaction be negative in any revenue for purposes of this Agreement.
- J. Operator may pass through the 10% concession fee to its customer and may "gross up" the concession fee pass thru because concession fee revenue is included as Gross Receipts per Section 6.2 Gross Receipts of this Agreement. The amount of concession fee pass thru should not exceed 11.11% on the rental car invoice.
- K. Gross sales shall not be reduced by bank charges, uncollected or uncollectible credit accounts, charges made by collection agencies, bad debt losses, or any other commission or other amount paid out or rebated by the Operator to travel agents or others with respect to any rental or sale of goods or services.

7. CUSTOMER FACILITY CHARGE

District has authorized a Customer Facility Charge ("CFC") of \$10 per rental agreement. Tenant is required to collect this fee from all customers and remit this collection to the Airport. Subject to applicable regulatory requirements, District reserves the right to modify and/or amend the previously approved CFC following consultation with the Tenant.

Tenant agrees that: (a) the CFC is not income, revenue or any other asset to Tenant; (b) Tenant has no ownership or property interest in the CFC; (c) Tenant hereby waives any claim to a possessory or ownership interest in the CFC; (d) the CFC shall be the property of the Airport and shall be held in trust by Tenant for the benefit of the Airport; and (e) the Airport (or a trustee on its behalf) has complete possessory and ownership rights to the CFC.

8. ADJUSTMENT OF RENTS/RENTAL RATES

8.1 Adjustments. An adjustment shall be made at the end of each and every Lease Year with respect to any underpayment or overpayment of the Concession Fee, including any adjustments on account of MAG abatement. The monthly

rents/rental rates may be adjusted from time to time to conform to rates and charges established by any resolution or ordinance by the District's Board of Directors to apply uniformity at the Airport.

8.2 Notification Letter. District will notify Tenant of rents/rental increases (whether as a result of annual adjustment or otherwise) by sending a notification letter stating the new rent/rental rates and effective date of the increase, which effective date shall not be less than 30 days after the notice is sent to Tenant. Provided that notice is timely sent, it shall not be necessary to amend this Agreement in order for the rent/rental rates to become effective as of the date specified in the notice.

8.3 Security and Faithful Performance Deposit. Tenant shall promptly upon entering into this Agreement, provide the District with a security deposit in the form of cash/bond/Letter of Credit in the amount of four months' total monthly rent. Tenant shall increase the security deposit so as to maintain on deposit at all times an amount equivalent to four month's then current total monthly rent.

8.4 Other Utility Fees. Electric power, Water, and Sewer are provided through the District and will be charged to Tenant on a prorated basis, based on the District's reasonable estimate of Tenant's usage. Trash, disposal, telephone service and all other utilities shall be the responsibility of Tenant.

9. PAYMENT PROCEDURE

9.1 Minimum Annual Guarantee. Except as provided in this Agreement, one twelfth (1/12th) of the Minimum Annual Guarantee is due and payable on the first (1st) day of each calendar month during the Term of this Agreement and is delinquent if not paid within (5) calendar days of when due and payable.

9.2. Monthly Statement of Gross Receipts and Percentage Fee Payment. On or before the twentieth (20th) day of each following month during the term of this Agreement, Operator shall deliver to the District a correct statement and all applicable fees as follows:

- A. The total Gross Receipts for proceeding month.
- B. The Percentage Fee calculated for the total Gross Receipts for the preceding month (exclusions from Gross Receipts shall be itemized); and the total amount of fees due for the preceding month.

9.3 Monthly Payment. Each monthly payment shall include the greater of the following two amounts: the Percentage Fee computed for the preceding month to one-twelfth (1/12th) of the Minimum Annual Guarantee. The monthly payment is due and payable on the twentieth (20th) day of each following calendar month during the Term of this Agreement, and delinquent if not paid with five (5) days of when due and payable.

9.4 Cumulative Minimum Annual Guarantee and Percentage Fee. Once the cumulative Minimum Annual Guarantee monthly payment and the Percentage Fee monthly payment aggregate to the Minimum Annual Guarantee for the applicable year of the Agreement, only the Percentage Fee shall be paid for the balance of the year.

9.5 Place of Payment. All rents and fees, together with the accompanying reports and statements of Gross Receipts, shall be mailed to the following address:

Monterey Peninsula Airport District

ATTN: Accounts Receivable
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

Or other such address as District may from time to time direct in writing.

9.6 Charge For Late Payment. Operator hereby acknowledges that the late payment of fees or any other sums are due hereunder will cause District to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include but are not limited to costs such as administration processing of delinquent notices, increased accounting costs, etc.

Accordingly, if any payment of fees as specified in Section 11.1 "Concession Fees" of this Agreement, or any other sum due to the District is not received by the District within 5 days following the due date, a late fee of five (5%) of the payment due shall be added to the payment, and the total sum shall be due and payable to the District.

Operator and the District hereby agree that such late charges represent a fair and reasonable estimate of the costs that District will incur by reason of Operator's late payment. Acceptance of such late charges (and/or any portion of the overdue payment) by District shall in no event constitute a waiver of Operator's default with respect to such overdue payment or prevent District from exercising any other rights and remedies granted hereunder.

10. RECORDS AND ACCOUNTS

10.1 Records. Operator shall, at all times during the term of this Agreement, keep or cause to be kept true and complete books, records, controls, and accounts of all financial transactions, including the CFC's as applicable, in the operation of all business activities, to be supported by source documents such as sales slips, cash register tapes, purchase invoices, rental car contracts or other pertinent documents.

10.2 The Accounting Year. The accounting year shall be twelve (12) calendar months, commencing on the first day of January and ending the last day of December.

11. ANNUAL RECONCILIATION

11.1 Concession Fees. The District will submit an annual reconciliation of concession fees within ninety (90) days of the end of each Accounting Year. No adjustment of concession fee and/or monthly Minimum Annual Guarantee Payments will be allowed from the Operator after one hundred fifty (150) days.

11.2 Customer Facility Charges. Within ninety (90) days of the end of each Accounting Year, Operator shall provide an annual reconciliation of CFC revenue, if applicable. The reconciliation shall be prepared and certified as to accuracy by a Certified Public Accountant or the Tenant's Financial Officer. Any substantiated overpayment will be refunded to Operator within forty-five (45) days of receipt or report. Underpayments will be billed.

Operator acknowledges that any and all of the "Financial Statements" submitted to the District pursuant to this Agreement are Public Record and subject to the public inspection. Income tax returns, if submitted to the District pursuant to this Agreement, shall be treated by the District as Confidential Business Information and therefore not subject to public inspection.

11.3 Audits. All Operator's books of account and records and supporting documents related to this Agreement or to business operations conducted within or from the Airport shall be made available to District upon reasonable notice. District shall, through its daily authorized agents or representatives, have the right to examine and audit said books of account, records, and supporting source documents at any and all reasonable times, upon prior written request, for the purpose of determining the accuracy thereof, and of the monthly statements of sales made, CFCs collected, and monies received. Income tax returns, if submitted to District pursuant to this Agreement, shall be treated by District as confidential business information and therefore not subject to public inspection, subject to applicable law.

The full cost of said audit, as determined by District, shall be borne by Operator either of the following conditions exists:

- A. Underpayment.** The audit reveals and underpayment of more than three percent (3%) between the fees due and reported and paid by Operator in accordance with this Agreement and the fees due as determined by said audit; and/or
- B. Adequacy of Records.** Operator failed to maintain true and complete books, records, and accounts and supporting source documents in accordance with Paragraph 10, entitled Records and Accounts. The adequacy of records shall be determined by District in its sole and absolute discretion. Otherwise, District shall bear the cost of said audit, except expenses related

to the audit of documents kept outside the limits of Monterey County.

Upon the request of District, Operator shall promptly provide, at Operator's expense, necessary data to enable District to fully comply with any requirement of the State of California or the United States of America for information or reports relating to this agreement and to Operator's use of the Airport. Such data shall include, if required, a detailed breakdown of Operator's receipts and expenses.

C. Possessory Interest/Taxes. Pursuant to Section 107.6 of the California Revenue and Taxation Code, Operator's interest in the Premises may be subject to property taxation on the possessory interest created by this Agreement. Operator agrees to pay, before delinquency, all lawful taxes, including taxes on Operator's possessory interest, which, during the term hereof, may be or become a lien or be levied upon the real property, improvements or personal property situated upon the Premises, or upon the subject matter of this Agreement.

12. ASSUMPTION OF RISKS

Operator represents that Operator has inspected said Airport and Premises, and all facilities thereupon and in connection therewith, and that Operator accepts the condition of same and fully assumes all risks incidental to use thereof. District shall not be liable to Operator for any damages or injuries to the property of person, or to other agents, employees, or business visitors of Operator, which may result from hidden, latent, or other dangerous conditions upon said Airport Premises or which may result from any condition of fire, construction, earthquake, flood, rainfall, or escape from any channel, regardless of the cause thereof.

13. DESIGNATION, ALLOCATION AND/OR RELOCATION OF READY PARKING SPACES/TOWER VEHICLE STORAGE SPACES/OVERFLOW VEHICLE STORAGE AREA

13.1 Allocated Spaces. District has initially allocated to Tenant the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces, and the amount of Overflow Vehicle Storage Area within the Premises as is set forth in Exhibits "C", "D", and "E" attached to this Agreement. District reserves the right, from time to time, to reallocate the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces and the amount of Overflow Vehicle Storage Area among the various rental car operators at the Airport, based on the market share held by each Operator or other reasonable means as District may in its reasonable business judgement they choose to employ.

13.2 Review of Market Share. District shall review rental car operator's market share each April. Market share data will compare the Gross Receipts reported to District for the twelve months preceding April 1 (twelve months: April 1 through March 31).

District shall reallocate the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces and amount of Overflow Vehicle Storage Area among the rental car operators based on this analysis effective on May 31 each year. District shall have the right to relocate said Ready Parking Spaces, Tower Vehicle Storage Spaces and Overflow Vehicle Storage Area to other locations in the designated areas for other District purposes.

14. IMPROVEMENTS

Tenant shall not make any structural, mechanical, utility, appliance or sign changes, alterations, additions, or modification to the Premises or construct or install any new improvements to the Premises or enter into any contract for making of any or more of such, without the prior written consent of Airport's Executive Director. If Tenant desires to make improvements to the Premises, the proposed work of improvement presented to Airport's Executive Director in written form together with two sets of detailed plans for the proposed work. The District shall have thirty calendar days within which to approve or disapprove Tenant's proposal. If not approved by District in writing within the thirty-day period, the proposal shall be deemed to have been disapproved. District may condition its approval on the payment by Tenant to District or others of permitting fees. Tenant shall protect the Premises and District from any liens or other charges whatsoever, by reason of Tenant's improvements. In the event Tenant performs any work of improvement to the Premises without the consent of Airport's Executive Director, District may require that Tenant remove any and all improvements at Tenant's cost and expense. In each instance, the consent of Airport's Executive Director to any such alterations, additions, modifications, or improvements shall be deemed conditioned upon Tenant's full and faithful compliance with the provisions of this Agreement. Tenant further agrees that no banners, pennants, flags, eye catching spinners or other advertising devices, nor any temporary signs shall be permitted to be flown, installed, placed, or erected on the Premises without the prior written consent of Airport's Executive Director.

15. TITLE TO IMPROVEMENTS

Improvements of any kind placed on the Premises by Tenant shall, at the option of the District, be removed by Tenant at Tenant's expense on or by the termination date of this Agreement. As to any or all improvements owned by Tenant for which the District does not exercise the option for removal, title to those improvements shall vest in District without the cost to District without any payment to Tenant upon termination of this Agreement. Machines, appliances, equipment, and trade fixtures of any kind placed in the Premises by Tenant shall be removed by Tenant at the expiration or sooner termination or the term of this Agreement. Tenant agrees to repair any and all damage occasioned by the removal. If any machine, appliances, equipment, or trade fixtures are not removed within thirty days after the termination of this Agreement, they may be considered abandoned and shall become the property of District without cost to District and without payment to Tenant; except that District shall have the right to have them removed at the expense of Tenant. During

any period of time employed by Tenant remove machines, appliances, equipment, or trade fixtures extending beyond the expiration of earlier termination of this Agreement. Tenant shall continue to pay the full rental and other fees to District.

16. MAINTENANCE, CLEANLINESS, ALTERATIONS AND ADVERTISING

16.1 Maintenance. District agrees to keep the roof, exterior walls, plumbing and heating facilities, and the basic electric distribution system of Tenant's counter and office space in good repair; provided however, that Tenant shall be responsible for all damage to District's property caused by any willful act of negligence of Tenant, its agents or employees. District agrees to provide janitorial service for the public space in the Terminal and to keep the public and passenger space in the terminal adequately supplied and equipped. District shall maintain adequate directional signs in the Terminal. Tenant assumes full and exclusive responsibility and liability for any damage or injury to any of Tenant's personal property, equipment, fixtures, and facilities at, in and about the Airport, and for any and all personal property belonging to others in Tenant's custody or possession at the Airport.

16.2 Cleanliness. Tenant agrees to keep the Premises clear and free of all litter, garbage, debris, refuse, and to keep such Premises and area in an orderly and sanitary condition at all times.

16.3 Signage and Advertising. Tenant shall obtain prior written approval from Airport Executive Director prior to erecting or displaying any directional signs at or on the Airport, which approval shall not be unreasonably withheld. Any and all advertising desired by Tenant on Airport property must be placed through the Airport's exclusive advertising concession operator.

17. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS

Tenant shall, at Tenant's sole cost and expense, comply with all rules, regulations, ordinances, statutes and laws of all county, municipal, state, federal and other governmental authorities, now or hereafter in effect pertaining to the Airport, the Premises, or Tenant's use thereof.

18. PERMITS

Tenant shall obtain and pay for any and all permits required by all federal, state, and local government entities for any and all work on alterations, additions, modifications, installations, or improvements accomplished by Tenant or by others on behalf of or for the benefit of Tenant or caused or allowed to be accomplished by Tenant on the Premises. Any consent from Airport's Executive Director required under this Agreement shall be separate from any other consents or approvals required by any federal, state, or other governmental agency.

19. DISTRICT RULES AND REGULATIONS

District reserves the right to adopt, amend and enforce rules and regulations governing the Premises and the public areas and facilities used by tenant in connection therewith. Such rules and regulations shall be consistent with the safety, security, and all public utility of the Airport and with the rules, regulations, and orders of the Federal Aviation Administration (“FAA”) and Transportation Security Administration (“TSA”), and such rules and regulations shall not be inconsistent with the provisions of this Agreement, or the procedures prescribed and approved by the FAA, or TSA with respect to the operation of the Airport. Tenant agrees to observe, obey, and abide by all such rules and regulations heretofore or hereafter adopted or amended by District, including compliance with FAA, TSA and airport security rules, regulations and plans. With respect to the Premises, it shall be the responsibility of Tenant to take all necessary measures to carry out requirements imposed by the TSA on District as operator of the Airport pursuant to the access control system requirements of Section 1542 of Title 49 of the Code of Federal Regulations or to other requirements of 1542; and Tenant may be required to pay any and all civile penalties imposed by the TSA on District in the event that Tenant fails to carry out any such security requirements.

20. INTERRUPTION OF UTILITY SERVICE

Tenant hereby expressly waives any and all claims for damage against District arising from failure or interruption of utility services including but not limited to, electricity, gas, water, plumbing, heat, ventilation, or air conditioning.

21. INDEMNITY AND INSURANCE

21.1 Damages. This Agreement is made upon the express condition that Tenant hereby waives all claim against District for damages to property or for injury or death to any person or persons from any cause excepting however, the negligence of District or any of its agents, employees or servants arising at any time.

21.2 Insurance Coverage. Upon execution of this Agreement and prior to Tenant's exercising any of the rights and privileges herein granted, Tenant shall, at Tenant's expense, obtain and, throughout the life of this Agreement, maintain in full force and effect, a broad form commercial coverage policy or policies of public liability insurance protecting both Tenant and District from claims of bodily injury and property damage which may arise out of Tenant's occupancy(ies) and use(s) of the Premises or any portion thereof, or which may arise as a result of any one, more, or all of Tenant's activities/operations on, to, or from the Airport under authority of this Agreement. The required insurance shall include bodily injury and property damage limits of not less than \$1,000,000 combined single limits. The general liability policy shall include Blanket Contractual Liability and Products Liability coverage. Tenant shall maintain Worker's Compensation and Employers' Liability policies in accordance with laws of the State of California and providing coverage for all employees of Tenant. All general liability policies shall name District as an additional insured where their interest may appear for liabilities arising in whole or in part by the conduct of the Tenant or Tenant's

customers. Insurance shall be with a company or companies with an AM Best rating of A- or better in the amounts of not less than the specified herein or in minimum amounts as may be subsequently adjusted by District in the exercise of its reasonable business judgment. Tenant shall always during the term of this Agreement, including any extensions or renewal of this Agreement, provide District with a certificate from the insurance carrier or carriers insuring District and Tenant as required by this section. Insurance policies shall provide written notice to District at least thirty (30) days prior to cancellation. Where policies have normal expirations during the term of this Agreement or of any extension of this Agreement, written evidence of renewal shall be furnished to District at least thirty days prior to expiration.

22. WAIVER OF SUBROGATION

The Parties release each other and their respective authorized representatives from claims for damage to any person or the Premises and to the fixtures, personal property, Tenant improvement and alterations by District or Tenant in or on the Premises that are caused by a result from the risks insured against under any insurance policy carried by either Party and in force at the time of any such damage to the extent of the insurance proceeds received from such policy. Each Party shall cause each insurance policy obtained by it to provide that the insurance company waives all right to recovery by way of subrogation against either Party in connection with any damage by any policy. If the issuance cannot be obtained or the Party in whose favor a waiver of subrogation is desired to pay the additional premium charged, the other Party is relieved of the obligation to obtain a waiver of subrogation with respect to the particular insurance involved.

23. TAXES AND ASSESSMENTS

Tenant shall pay, as and when due (but not later than fifteen days prior to the delinquency date) any and all taxes and general and special assessments of any and all types or description whatsoever which, at any time during the term of this Agreement are levied upon or assessed against Tenant, the Premises or any one or more of the improvements belonging to District or Tenant, or upon Tenant's interests in the Premises, improvements, or other property.

24. TENANT'S RIGHT TO APPEAL

Nothing within this article shall be deemed to limit any of Tenant's rights to appeal any levies or assessments in accordance with the rules, regulations, laws, statutes, or ordinances governing the appeal process of the taxing authority making such levies or assessments.

25. DEFAULT

It is mutually understood and agreed that if any default be made in the payment of rent or other charges dues under this Agreement or in the performance of the other

covenants, conditions, or agreements contained in this Agreement, or if Tenant fails to fulfill in any manner that uses and purposes for which the Premises are rented, and if such detail is not to be cured within three days after the provision of written notice if the default is in the submittal of a report, in the payment of rent or in the performance of any other monetary obligation, or ten days after the provision of written notice if the default is in the performance of any non-monetary or other obligation, then District shall have the right to immediately terminate this Agreement. District shall further have all other rights and remedies as provided by law, including without limitation the right to recover damages from the detriment proximately caused by Tenant's failure to perform under this Agreement.

26. ASSIGNMENT AND SUBLETTING

Assignment of this Agreement is prohibited. Without District's prior written consent, which shall not unreasonably be withheld, Tenant (including without limitation) any subtenant shall not either voluntarily or by operation of law hypothecate or encumber this Agreement or any interest in this Agreement, permit the uses of the Premises by any person or persons other than Tenant or sublet the Premises or any part of the Premises. Any transfer of this Agreement from Tenant by merger, consolidation, or liquidation, or the sale, conveyance, transfer by bequest of inheritance, or other transfer of a controlling interest in Tenant shall constitute an assignment of purposes of this Agreement. District's consent to a subletting shall not constitute a waiver of the necessity for such a consent to a subsequent or further subletting, whether by Tenant or any subtenant. Tenant acknowledges that District may evaluate the potential impact of a subtenant's operations on noise, traffic, parking, and other such factors in determining whether or not to give District's consent, and Tenant agrees that a denial of consent because of such concerns shall not be unreasonable.

27. DAMAGE OR DESTRUCTION OF PREMISES

In the event of damage to or destruction by fire, the elements, acts of God, or any other cause of Tenant-constructed improvements located within the Premises or in the event Tenant-constructed improvements located within the Premises are declared unsafe of occupancy by a public entity with the authority to make and enforce such a declaration, Tenant shall, within ninety days of such damage, destruction commence and diligently pursue to completion the repair, replacement, or reconstruction of improvements necessary to permit full use and occupancy of the Premises for the purposes required by this Agreement. Repair, replacement, or construction of improvements within the Premises shall be accomplished in a manner according to plans approved by District; provided, however, the Tenant shall not be obligated to repair, reconstruct, or replace the improvements following their destruction in whole or substantial part except to the extent the loss is covered by insurance carried by Tenant.

28. BANKRUPTCY

If Tenant becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Tenant's interest under this Agreement, District shall have the right to declare this Agreement in default.

29. RECORDS, REPORTS, AND AUDITS

29.1 Records. In order to ensure the availability of complete, up to date, and verifiable records with respect to any and all business conducted/done by Tenant under the authority of this Agreement. Tenant shall maintain and keep true and accurate accounts, records, books, and data, in accordance with generally accepted accounting principles, which shall, among other things, clearly and accurately show all sales made and services for cash, credit, or otherwise (without regard to whether pair or not); Gross Receipts; and the aggregate amount of sales, services, orders, and all of Tenant's business at Airport, or elsewhere under authority of this Agreement. All accounts, records, books, data, and any and all source, supporting, supplemental and/or backup documentation, including without limitation, any and all electronic data processing/machine/computer generated/retrievable records, reports, files, and registers, and/or computer tapes, disks, whether maintained by Tenant in Monterey or elsewhere, shall be retained by Tenant for a minimum of three years following the date on which they were created. Tenant, using either pre-printed, serially numbered blank-form type documents designed to be completed by hand, or serially numbered machine/computer-generated forms/documents, or a combination of these, shall ensure that a written receipt and/or Rental/Sale Agreement shall be issued for each and every rental, sale, and/or other transaction, whether for cash or credit or otherwise, which shall reflect all receipts associated with the rental/sale or other transaction to which the serially numbered document shall pertain.

29.2 Reports. Commencing with the month during which the effective date of this Agreement occurs, and then continuing monthly thereafter throughout the life of this Agreement, Tenant shall prepare and submit to District a detailed monthly statement showing the Gross Receipts of the business (broken down by the components identified in Section 6.2. The statements shall be prepared and submitted by Tenant with sufficient timeliness so as to be delivered not later than the twentieth calendar day of the month for which such statement shall be due. Tenant shall, within three months following the end of each complete operating year (i.e., the twelve-month period commencing July 1 and ending Jun 30) submit to District a detailed annual statement of Gross Receipts (broken down by components identified in Section 6.2) from the rental car business conducted by Tenant under authority of this Agreement, for the immediately preceding operating year. The annual statements shall be certified by Tenant's Financial Officer to be a complete, true, and accurate accounting of all Gross Receipts.

30. HAZARDOUS SUBSTANCES

The provision of this Section, which govern Tenant's obligations with regard to hazardous substances, as defined below, shall survive termination of this Agreement.

30.1 Definition of Hazardous Substances. For purposes of this Agreement, "Hazardous Substances" is defined to mean any substance, material, or waste, including asbestos and petroleum (including crude oil or any fractions thereof), which is or becomes designated, classified, or regulated as being "toxic", "hazardous" a "pollutant", or similar designation under any federal, state, or local law, regulation, or ordinance.

30.2 Indemnity Regarding Hazardous Substances. Tenant agrees to indemnify and hold District harmless from and against all liabilities, claims, actions, foreseeable and unforeseeable consequential damages, costs and expenses (including sums paid in settlement claims and all consultant, expert and legal fees and expenses of Tenant's counsel) or loss directly or indirectly arising out of or resulting from the presence of any Hazardous Substances as a result of Tenant's or any subtenant's activities, whether before, during or after construction, in and around any part of the property or the soil, groundwater, or soil vapor on or under the property, including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, or any resulting damages or injuries to the person or property of any of their parties or to any natural resource. Upon demand by District, Tenant shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location which affects the property, or which is brought or commenced against District, whether alone or together with Tenant, or any other person, all at Tenant's own cost and by counsel to be approved by District in the exercise of its reasonable judgement. In the alternative, District may elect to conduct its own defense at the expense of Tenant.

30.3 Compliance Regarding Hazardous Substances. Tenant has complied and shall comply and cause all occupants of the Premises to comply, with all laws, regulations, and ordinances governing or applicable to Hazardous Substances which apply or pertain to the Premises. Tenant acknowledges that Hazardous Substances may permanently and materially impair the value and use of the Premises. Tenant acknowledges that Material Safety Data Sheets (MSDS) shall be submitted to District should Hazardous Materials be stored in excess of reasonable quantities required for Tenant operations.

30.4 Notice Regarding Hazardous Substances. Tenant shall promptly notify District if it knows, suspects, or believes there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater, or soil vapor or under the property, or that Tenant or the Premises may be subject to any threatened or pending investigation by any governmental agency under law, regulation or ordinance pertaining to any Hazardous Substance.

30.5 Site Visits, Observations, and Testing. District and its agents and representatives shall have the right at any reasonable time to enter and visit the Premises for the purpose of observing the Premises, taking, and removing solid or groundwater samples, and conducting tests on the Premises. District is under no duty, however, to visit or observe the Premises or to conduct these tests. No site visit, observation or testing by District shall result in a waiver of any default of Tenant or impose any liability on District. In no event shall any site, observation or testing by District be a representation that Hazardous Substances are or are not present in, or under the Premises, or that there has been compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. In each instance, District shall give Tenant reasonable notice before entering the Premises or any other place District is permitted to enter under this Section. District shall make reasonable efforts to avoid interfering with Tenant's use of the Premises or any other property exercising any right provided in this Section.

31. NON-DISCRIMINATION

Tenant shall always abide by the requirements of the Standard Non-Discrimination and Airport Development Provisions for Leases attached as Exhibit "F". As used in Exhibit "F" the term "Lessee" shall be deemed to refer to Tenant and the term "Lease" shall be deemed to refer to this Agreement.

32. COMPLIANCE WITH RULES AND REGULATIONS

Tenant shall at Tenant's sole cost and expense and at all times during the term of this Agreement or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, and laws which have been or may be promulgated by District relating to the Premises and the use of facilities of the Airport including all fire regulations, noise control regulations and security regulations. Such rules and regulations are hereby made a part of this Agreement and Tenant's failure to keep and observe the rules and regulations shall constitute a breach of terms of this Agreement in like manner as if the same were contained herein as covenants and conditions. District reserves the right to amend or supplement the rules and regulations and to adapt additional rules and regulations applicable to the Premises, to Tenant's use of the Premises, and the use of the facilities of the Airport, District shall have no obligation to Tenant as a result of violation of any such rules by any other person. Tenant shall always obey the statutes, codes, ordinances, laws and regulations of the United States of America, the State of California, the County of Monterey, and any other governmental entity having jurisdiction as the same may from time to time be amended during the term of this Agreement.

33. COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS

Tenant shall ensure that its use of the Premises and operations are at all times in compliance with Federal Water Pollution Control Act, National Pollutant Discharge Elimination Permit, and the Monterey Peninsula Airport District Storm Water

Prevention Plan.

34. ATTORNEY'S FEES

In the event any suit is commenced to enforce, protect, or establish any right or remedy of any terms and conditions hereof, including without limitation a summary action commenced by District under laws of the State of California resulting to unlawful detainer, the prevailing Party shall be entitled to have and recover from the losing Party attorney's fees and cost of suit.

35. ACCESS BY DISTRICT

Tenant shall permit District and its agents to enter the Premises at all reasonable times for any appropriate purpose, including, without limitation, the following purposes:

To inspect the Premises; to maintain the Airport; to maintain or make such repairs to the District as obligated or may elect to make; to make repairs, alterations, or additions to any other portion of the Airport; to post notices of non-responsibility for alterations, additions, or repairs; and to show the Premises to prospective purchasers or Tenants.

District's right of entry shall be without any rebate of rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises occasioned by District's entry.

36. TIME

Time is of the essence of this Agreement and each and every one of the provisions of this Agreement except in respect to delivery of possession of the Premises to Tenant.

37. ENTIRE AGREEMENT

This Agreement sets forth all the covenants, agreements and conditions between the Parties concerning the Premises and there are no other covenants, promises, agreements, conditions, or understandings either in oral or written between them. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by each of them.

38. NOTICES

Wherever notice is required by the terms of this Agreement, notice shall be deemed complete upon personal service of written notice upon the Party to whom such notice is given, or such notice may be given by prepaid U.S. first-class mail addressed as follows:

If to District:
Monterey Peninsula Airport District
ATTN: Airport Executive Director
200 Fred Kane Drive, Suite 200
Monterey, CA. 93940

With Copy to
Cole Huber LLP
Attn: MPAD District Counsel
2281 Lava Ridge Court #300
Roseville, CA 95661

If to Tenant:
Enterprise Rent a Car Co of San Francisco, LLC
2633 Camino Ramon #400
San Ramon, CA 94583
Attn: Vice President/General Manager

With Copy to
Enterprise Holdings
600 Corporate Park Dr
St Louis, Mo 63105
Attn: Airport Properties

And such notice shall be deemed complete upon the deposit with the State of California.

39. CAPTIONS

The headings and titles to the articles, sections or paragraphs of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

40. APPLICABLE-LAW

The laws of the state of California shall govern the validity, performance, and enforcement of this Agreement.

41. FORCE MAJEURE

Any prevention, delay or stoppage due to strikes, walkouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substance therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the Party obligated to perform, shall excuse the performance by such Party for a period equal to any such prevention, delay,

stoppage, except for the obligation imposed with regard to rental and other charges to be paid by Tenant pursuant to this Agreement.

42. PARTIAL INVALIDITY

If any term, covenant or condition of this Agreement or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each term, covenant and condition shall be valid and enforced to the fullest extent possible permitted by law.

43. TENSE, NUMBER AND GENDER

Each number, tense and gender used in this Agreement shall include any other tense, number, or gender, where the context and the Parties hereto or the context and references therein shall require. If Tenant shall consist of more than one person, all of the terms, covenants and conditions of this Agreement shall be joint and several as to Tenant.

44. NO PARTNERSHIP

District is not in any way or for any purpose a partner to Tenant in the conduct of its business or otherwise, or a joint ventures or a member of a joint enterprise with Tenant. The Provisions of this Agreement relating to the rent and other fees hereunder are included for the purpose of providing a method whereby the rent is measured and ascertained.

45. EXHIBITS INCORPORATED

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement by reference as though fully set forth herein, whether attached.

46. COUNTERPART COPIES

This Agreement may be signed by any number of counterparts with the same effect as if the signature to each such counterpart were upon the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the day and year first above written.

**MONTEREY PENINSULA
AIRPORT DISTRICT**

**ENTERPRISE RENT-A-CAR Co of San
Francisco, LLC, a Delaware Limited
Liability company**

Michael La Pier, AAE
Executive Director

By :
Its :

APPROVED AS TO FORM:

Scott E. Huber, District Counsel

EXHIBIT A

Listed below are the Premises rented by Tenant (Section 2) with rental rates and monthly charges set by District beginning May 1, 2023 – January 31, 2024

ENTERPRISE

- A. **Office Space.** 205 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$902.00.
- B. **Counter Space.** 121 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$533.00.
- C. **Ready Parking Spaces. May 1, 2023 – January 31, 2024:** 21 ready parking spaces at \$40.00 per space for a monthly rental fee of \$840.00.
- D. **Tower Vehicle Storage Spaces. May 1, 2023 – January 31, 2024:** 17 vehicle storage spaces at \$29.25 per space for a monthly rental fee of \$497.00.
- E. **Overflow Vehicle Storage Area. May 1, 2023 – January 31, 2024:** 6,023 square feet of additional storage area at \$0.15 per square foot, for a monthly rental fee of \$904.00.
- F. **Electricity Fee.** 326 square feet (office space plus counter space) x \$0.85 rate for a monthly electricity fee of \$277.00, which electricity fee shall be considered additional rent.

TOTAL MONTHLY RENT.

1. May 2023 (Items A-F). \$3,953

NATIONAL ALAMO

- A. **Office Space.** 120 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$528.00.
- B. **Counter Space.** 246 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$1,082.00.
- C. **Ready Parking Spaces. May 1, 2023 – January 31, 2024:** 35 ready parking spaces at \$40.00 per space for a monthly rental fee of \$1,400.00.
- D. **Tower Vehicle Storage Spaces. May 1, 2023 – January 31, 2024:** 29 vehicle storage spaces at \$29.25 per space for a monthly rental fee of \$848.00.
- E. **Overflow Vehicle Storage Area. May 1, 2023 – January 31, 2024:** 10,156 square feet of additional storage area at \$0.15 per square foot, for a monthly rental fee of \$1,523.00.
- F. **Electricity Fee.** 366 square feet (office space plus counter space) x \$0.85 rate for a monthly electricity fee of \$311.00, which electricity fee shall be considered additional rent.

TOTAL MONTHLY RENT.

1. May 2023 (Items A-F). \$5,692

EXHIBIT B

Illustrated below are the office and counter space rented by Tenant (Section 3.1 and 3.2).

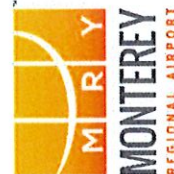
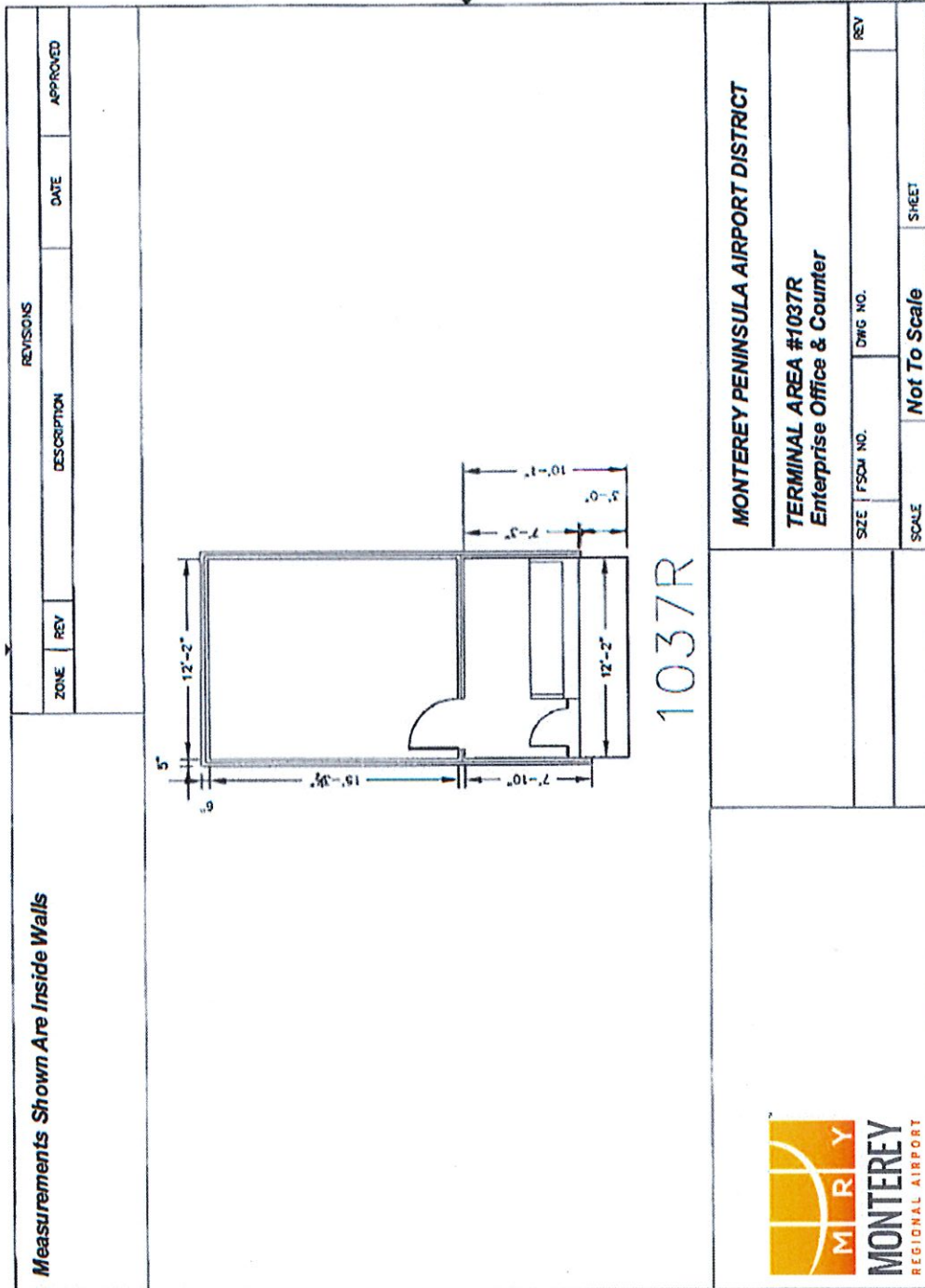


EXHIBIT B

Illustrated below are the office and counter space rented by Tenant (Section 3.1 and 3.2).

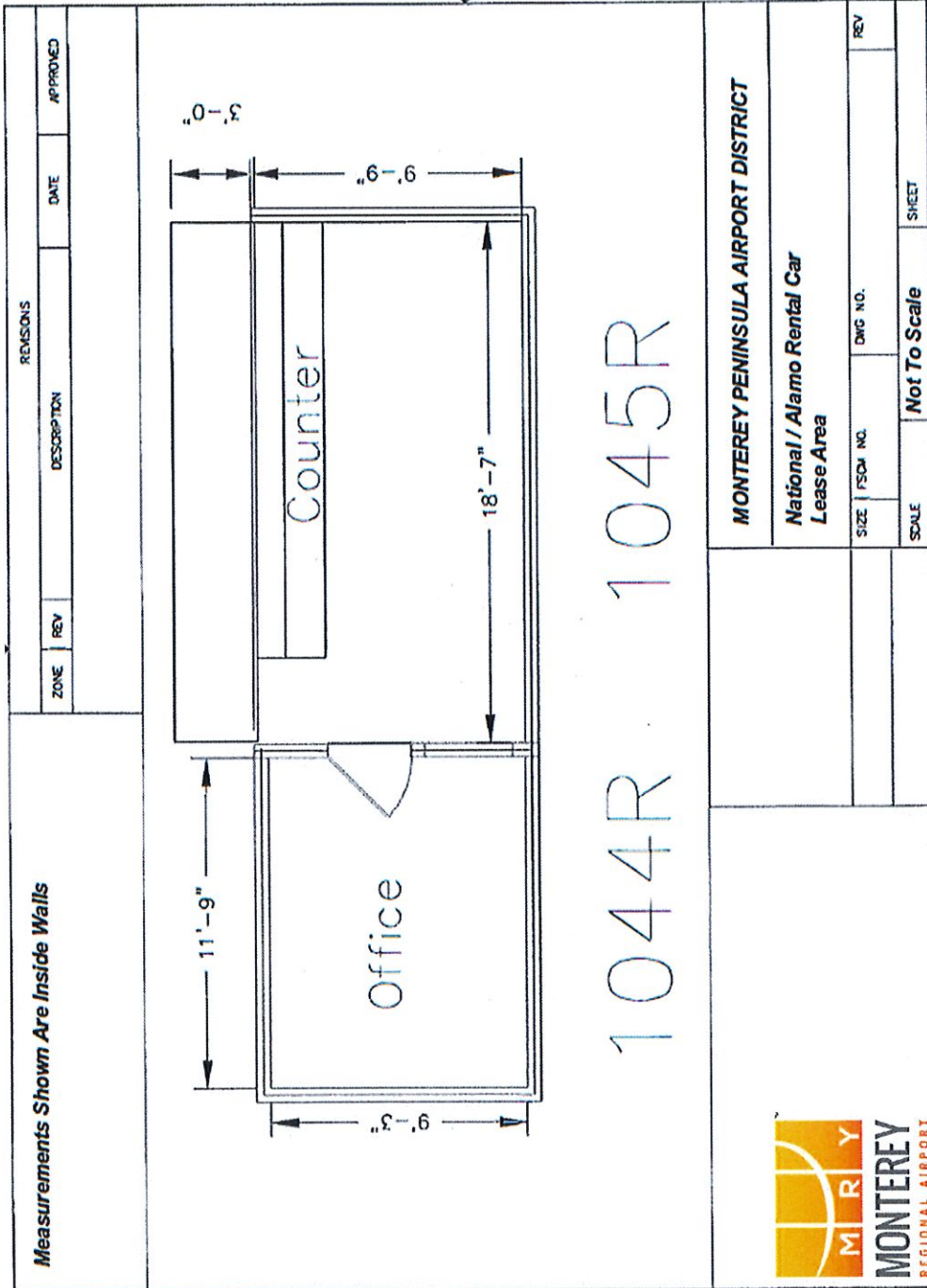


EXHIBIT C

Illustrated below are the ready parking spaces rented by Tenant (Section 3.3)

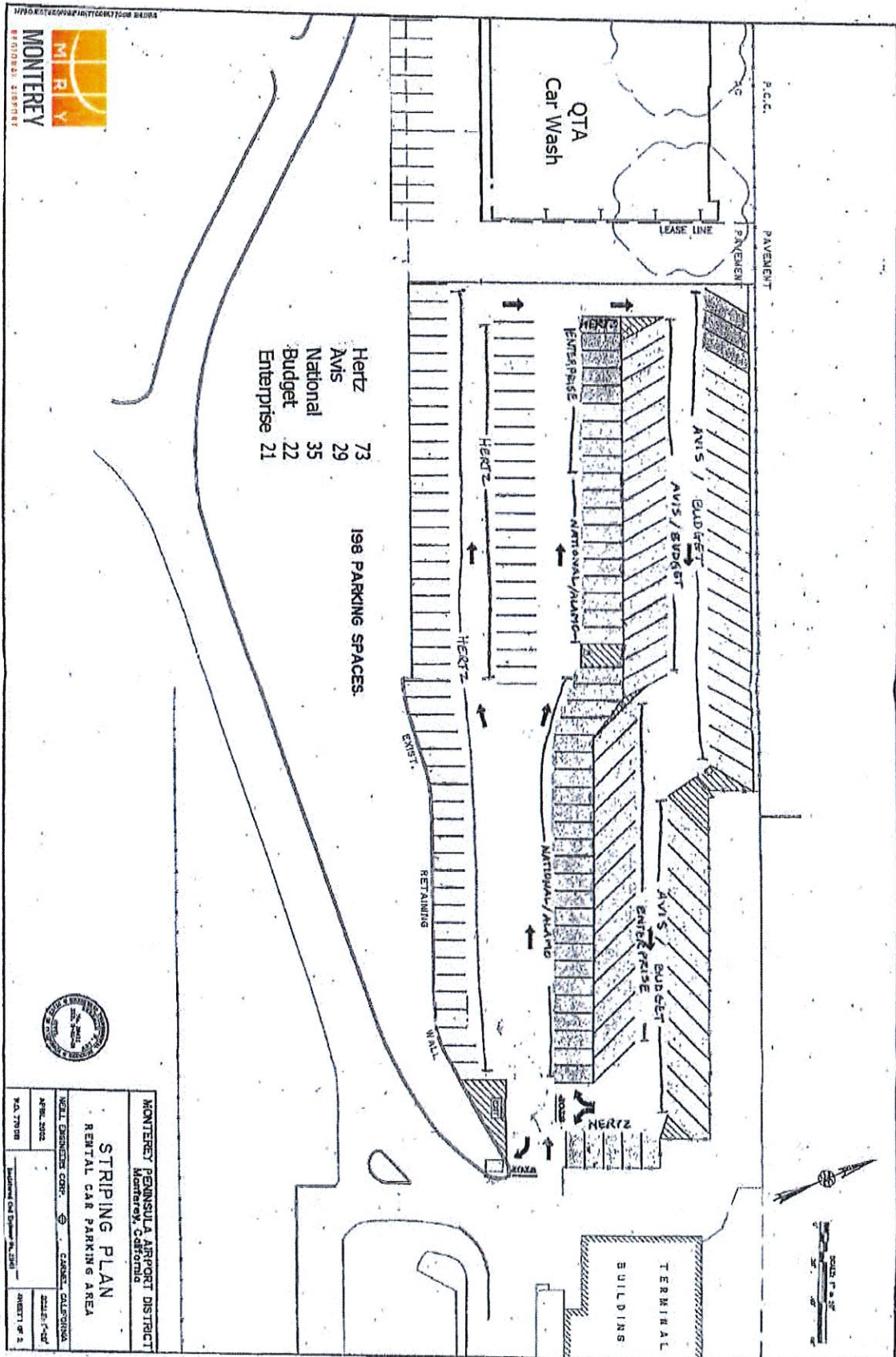


EXHIBIT D

Illustrated below are the tower vehicle storage spaces rented by Tenant (Section 3.4)

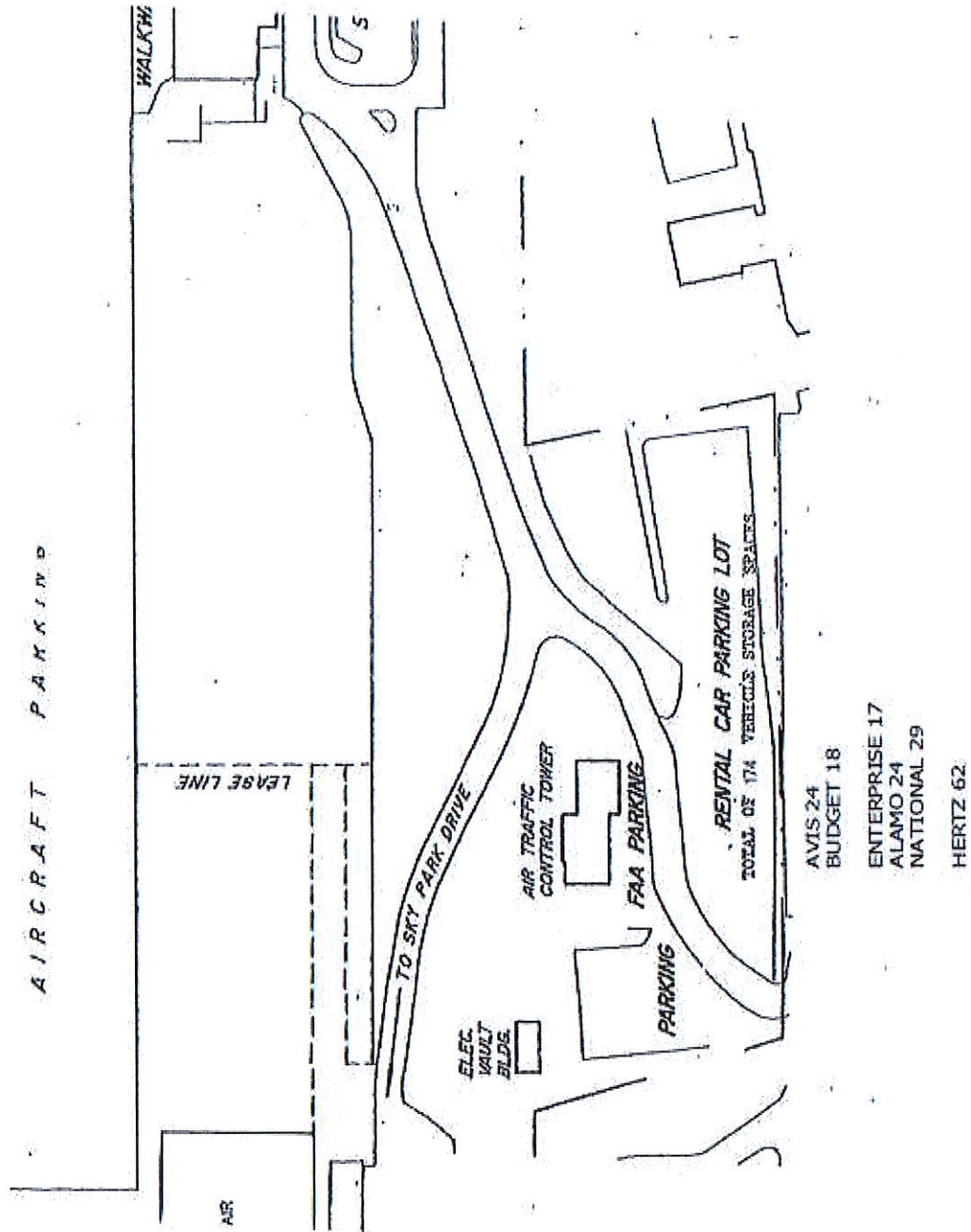


EXHIBIT E

Illustrated below is the overflow parking rented by Tenant (Section 3.5)

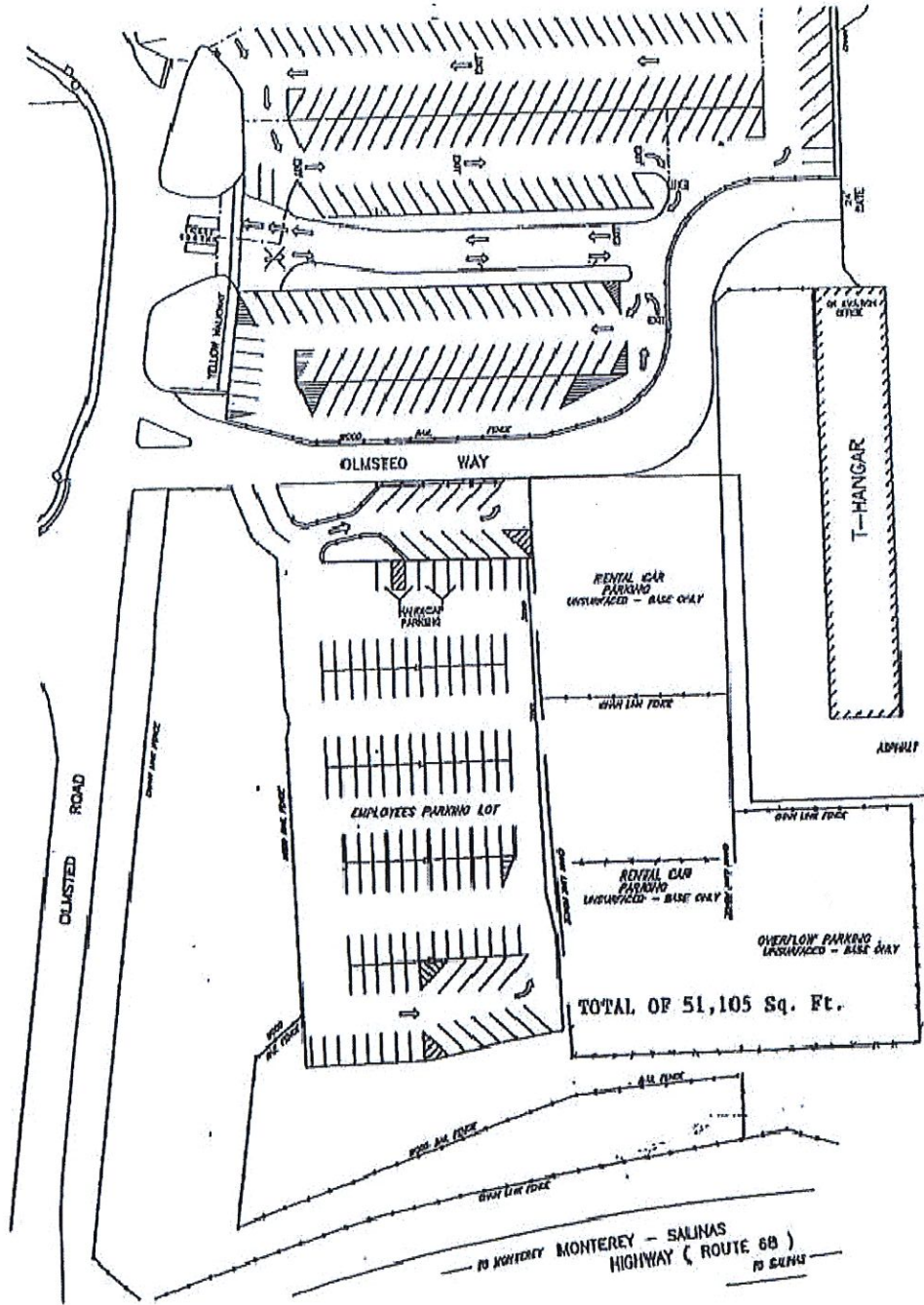


EXHIBIT F

STANDARD NONDISCRIMINATION AND AIRPORT DEVELOPMENT PROVISIONS AND LEASES

1. Lessee for himself/herself/itself and all heirs, personal representatives, successors in interest, and assigns, as a part of the consideration for these Lease to which these Standard Nondiscrimination and Airport Development Provisions for Leases are attached or made a part (hereinafter, the "Lease"), 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 said property described in the Lease (the "Premises") for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations (CFR), DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the DOT effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, 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 Premises 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, and (3) that Lessee shall use the Premises 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. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, does hereby covenant and agree as a covenant running with the land that in the event of breach of any of the above Nondiscrimination covenants, Lessor shall have the right to terminate the Lease and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Lessee shall furnish all accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchases.
5. Non-compliance with Provision 4 above shall constitute a material breach of the Lease and in the event of such non-compliance Lessor shall have the right to terminate the Lease and the estate thereby created with liability therefore or at the election of Lessor or the United States either or both said governments shall have the right to judicially enforce said provisions.
6. Lessee agrees that Lessee shall insert the above five provisions in any sublease, lease agreement or other contract by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Premises.
7. Lessee assures that Lessee will undertake and affirmative action program as required by 14 CFR Part 152, Subpart 3, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these ground from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures the Lessee will require that Lessee's covered suborganizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.
8. Lessor reserves the right to further develop or improve the landing area of the Monterey Regional Airport (the "Airport") as Lessor sees fit, regardless of the desires or view of Lessee and without interference or hindrance.
9. Lessor reserves the right but shall not be obligated to Lessee to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
10. The Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States, relative to the development, operation or maintenance of the Airport.

11. There is hereby reserved to Lessor, 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 Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation of the Airport.
12. Lessee agrees to comply with the notification and review requirements covered by Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.
13. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises covered by Part 77. In the event the aforesaid covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.
14. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Monterey Regional Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.
15. 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).
16. The Lease and all of the provisions thereof 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 the Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

**MONTEREY PENINSULA AIRPORT DISTRICT ON-AIRPORT RENTAL CAR
OPERATOR LEASE AND CONCESSION AGREEMENT**

THIS OPERATING AGREEMENT (“AGREEMENT”), dated as of May 1, 2023 (“Effective Date”) is made between the **Monterey Peninsula Airport District**, a special district of the State of California (“District” or “Airport”) and **The Hertz Corporation**, 8501 Williams Road, Estero, FL 33928 (“Tenant” or “Operator”), with reference to the following facts and objectives:

- A. District owns and operates the Monterey Regional Airport, a public airport located in the County of Monterey, State of California (“Airport”).
- B. Tenant is engaged in the management of an automobile business at the Airport commonly known as Hertz Car Rental.
- C. District desires to grant and Tenant desires to hire and obtain certain rights, licenses, and privileges to operate at the Airport.
- D. District believes it is important to the travelling public that quality automobile transportation be available for hire or rental by air passengers arriving at the Airport and by other users of the Airport.

NOW, THEREFORE, District and Tenant agree as follows:

1. TERMINATION OF PRIOR AGREEMENTS AND SEPARATE APPLICABILITY OF AGREEMENT

This agreement shall terminate and supersede the Rental Agreement dated July 1, 1994 between District and Tenant, and the Rental Agreement dated July 1, 1994 between District and Tenant are of no further force and effect.

2. PREMISES

District rents to Tenant, and Tenant hires from District, those areas of the types described below, each as is more particularly defined or shown in Exhibit “A” attached to this Agreement (the “Premises”). Tenant shall use the Premises and Airport solely for the purpose of providing automobile rental services to the public.

3. TERM

The term of this Agreement shall commence on May 1, 2023 and shall terminate on January 31, 2024 (“Initial Term”). Upon completion of the Initial Term, this Agreement will automatically renew and continue for successive one (1) year terms (“Successive Term”), unless a written notice of non-renewal is delivered by a Party to the other Party no later than one hundred eighty (180) days prior to the completion of the Initial Term or Successive Term, or unless this Agreement is sooner terminated pursuant to the provisions of this Agreement.

3.1 Office Space. Multi-purpose office space located in the Airport Terminal as depicted on Exhibit "B".

3.2. Counter Space. Multi-purpose counter space adjacent to the office space in the Airport Terminal as depicted in Exhibit "B". Any portion of the counter space area that is within the common-use corridor of the corridor of the Airport Terminal shall be rented to Tenant on a non-exclusive basis.

3.3 Ready Parking Spaces. Ready parking spaces within a common-use lot adjacent as depicted on Exhibit "C".

3.4 Tower Vehicle Storage Spaces. Vehicle storage spaces within the common-use lot located east of the FAA Tower Parking Area as depicted on Exhibit "D".

3.5 Overflow Vehicle Storage Area. Unimproved parking area within a common use lot located in the vicinity of the intersection of Highway 68 and Olmsted Road as depicted on Exhibit "E".

3.6 Substitute Property. The Parties acknowledge that the District intends to construct a new terminal. In the event that the District determines, in its sole and absolute discretion, that it needs to reacquire any of the property leased to Tenant through this Agreement, the District shall provide substitute property in similar size and functionality as the property that the District reacquires. The District shall provide as much notice as possible to Tenant prior to the reacquisition of property, but in no event shall the Tenant receive less than ninety (90) days' notice.

4. TENANT'S RESPONSIBILITIES

4.1 Equipment and Fixtures. Tenant, at its own cost and expense, will be required to provide in its concession area all equipment, fixtures, decorations, materials and supplies which Tenant may need to conduct the rental car operation in a first-class, business-like manner, and all of which shall be of high quality, safe, modern in design, attractive in appearance and in keeping with the general architecture and décor of the Airport Terminal's facilities, and all of which shall be subject to written approval of Airport's Executive Director prior to installation.

4.2. Business Hours. Tenant's business hours shall remain open to serve seven days per week from 40 minutes before the time of the first scheduled airline arrival, to a time that is at least forty minutes after the actual time, scheduled or delayed, of the last airline arrival. If Tenant operates from more than one counter, then Tenant shall be permitted to staff the multiple counters with a single employee. Tenant's schedule of business hours shall be subject to periodic review upon the written request of Tenant to Airport's Executive Director or Airport's Executive Director to Tenant. As a result, Airport's Executive Director may require an expansion or allow reduction of the hours of operation as public demand requires. In addition to any other remedies available to District as outlined in this Agreement,

in the event that Tenant Client fails to operate the counter with personnel during the business hours outlined in this paragraph, the District will suffer a substantial injury for which it is impracticable or extremely difficult to fix actual damages. In an effort to establish, or liquidate, in advance the sum that should represent such damages, Tenant agrees to pay District \$500.00 per day for each and every day that the Tenant fails to operate the counter with personnel during the business hours outlined in this paragraph. The Parties acknowledge and agree that the sums payable under this paragraph shall constitute liquidated damages and not penalties and are in addition to all other rights of the District, including the right to call a default under this Agreement.

4.3 Supervision. Tenant shall always retain an active, qualified, competent, and experienced representative, authorized to represent, and act for Tenant, to supervise its operations at the Airport. During any temporary periods of absence by Tenant's representative, an alternate representative of Tenant with like authorization must be present. Tenant shall always keep Airport's Executive Director advised as to who Tenant's representative is and how immediate communication can be established with that representative on a 24-hour basis in the event of an emergency.

4.4 Employees. Tenant's employees shall be clean, courteous, efficient, and neat in appearance. Tenant shall not employ any persons in or about the Airport who shall use improper language or act in a loud or boisterous or otherwise improper manner. While on duty and in public view, employees shall limit the use of cell phones and earphones. Upon written notification to Tenant that any person employed by Tenant at the Airport, is, in the District's opinion, disorderly, discourteous, unkempt, or otherwise unsatisfactory, immediate, and appropriate corrective action shall be taken by Tenant to ensure that such unsatisfactory and unacceptable conduct does not reoccur.

4.5 First-Class Operation. Tenant shall operate the rental car operation in a first-class manner, in accordance with the highest standards for this type of service at other airport terminals and within the rental car industry. The rental car service shall be prompt, clean, courteous, efficient, and otherwise of the highest quality, and adequate to meet all reasonable demands for rental car services at the Airport.

4.6 Number and Condition of Automobiles. Tenant, at its own cost and expense, shall always maintain on the Airport an adequate number of automobiles to reasonably meet the public demand. All automobiles shall at all times be maintained by Tenant, at its own cost and expense, in good operating order and free from known mechanical defects and shall be kept in clean, neat, and attractive condition, inside and out.

4.7 Vehicles Sales. Tenant shall not operate vehicle sales on the Premises without first obtaining the written consent of Airport's Executive Director, which shall not be unreasonably withheld, and provided that such vehicle sales

operations shall be subordinated to all of Tenant's rental car operations at the Airport. District shall have strict control of this activity and may at any time immediately suspend this activity if, in the sole discretion of Airport's Executive Director, the vehicle sales operation adversely impacts the Airport. The use of any signs, spotlights, balloons, banners, or other promotional type of activities which are commonly used in connection with vehicle sales operations are strictly prohibited. All revenue generated from vehicle sales operations conducted on Airport property shall be considered Gross Revenue.

5. CONCESSION AND FACILITY FEES

5.1 Minimum Annual Guarantee and Percentage Fee. Tenant shall pay to District as compensation for the concession privileges granted under the Agreement the greater of the Minimum Annual Guarantee or a Percentage Fee equal to ten percent (10%) of the Gross Receipts derived by Tenant from the operation of its automobile rental business, at the Airport, as authorized by the Agreement.

5.2 Minimum Annual Guarantee. The Minimum Annual Guarantee (MAG) for the first year of this agreement shall be One Hundred Twenty Thousand Dollars (\$120,000.00) per year. The MAG for each Successive Term of this Agreement shall be 85% of the Tenant's actual Concession Fee paid to the District for the previous contract year of this agreement, but in no event shall the MAG drop below One Hundred Twenty Thousand Dollars (\$120,000.00) per year. For any period of less than one (1) calendar year that this Agreement shall be in effect, the Minimum Annual Guarantee shall be calculated on a pro rata basis. Payments of one-twelfth (1/12) of the MAG shall be due in advance without demand, offset of invoice of the first (1st) day of each month during the term of this Agreement.

Percentage Fee. The Percentage Fee for each year of this agreement shall be calculated as ten percent (10%) of Gross Receipts from all business operations conducted on the Premises in accordance with Section 6.2.

5.3 Payment of Minimum Annual Guarantee, Percentage Fee, and Other Fees. All payments and fees shall be due and payable monthly in accordance with the provisions of Paragraph 9.

5.4 Tenant's Right of MAG Abatement. In the event that the following condition exists during the term of this Agreement, the minimum annual guarantee hereinabove provided for in Section 5.2 above shall be abated for the period of time the condition exists:

A. A major traffic reduction at Airport. A major traffic reduction shall be defined as a fifteen percent (15%) reduction in the number of passengers deplaning on scheduled airline flights at the Airport, during any period of three (3) consecutive calendar months as compared to the number of such deplaning passengers in the same calendar months during the 2022 calendar year. For example, if May, June

and July have a traffic reduction of 17%, 20% and 26% respectively, then the 1/12th minimum annual guarantee payment beginning May would be abated.

B. If the major traffic reduction continues for additional months, the abatement will continue as well, until there are three (3) consecutive calendar months when traffic does not fall below the 15% threshold, at which time the full minimum annual guarantee payment shall be made beginning the following month.

C. This major traffic reduction can only be identified after any three-month period ends; however, the major traffic reduction exists for any three-month period when all three months had a not less than 15% reduction in passenger deplanements. Overpayments of the MAG will be credited to the Tenant during the year-end reconciliation process Section 8.

D. Tenant shall continue to pay the Percentage Concession Fee during this abatement period.

6. RENT

6.1 Commencement Date. Starting on the Commencement date of this Agreement and continuing each month thereafter, Operator shall pay the following rent to the District:

A. Airport Terminal Building Rent. Operator shall pay the current Airport Rates and Charges square footage rate for their uses and occupancy of a portion of the Airport Terminal Building as outlined in Exhibits “A” and “B”.

1. Tenant shall pay the current Airport Rates and Charges square footage rate for their uses and occupancy of a portion of the Airport Terminal Building as outlined in Exhibits “A” and “B”. Operator’s current monthly rate is \$4.40 per square foot. Adjustments to this rent will be in accordance with the Airport’s Rate and Charges modifications approved by the District and shall occur annually every July 1 throughout the term of this agreement. Initial rent shall be calculated as follows:

| Monthly Rent | Monthly Rent Amount |
|-----------------|---------------------|
| Counter | \$533.00 |
| Stowage Parking | \$497.00 |
| Ready Park | \$840.00 |
| Office | \$902.00 |

B. Parking Rent. If operator needs additional parking outside of the designated areas on Exhibits “C”, “D”, and “E”, Rental Car Parking, Return Lot and Staging Areas, the Airport, or Airport’s parking

management company, will designate parking stalls, if available on the Airport for additional automobile rental parking only. The charge for this parking will be listed in the Master Fee Schedule or Airport Rates and Charges under Vehicle Parking Fees; Landside Parking; Commercial Tenant Long-Term Lot Fee. Operator must give prior notice of the number of parking spaces that the Operator requires and pay the fee(s) in accordance with this section. Any automobile belonging to Operator found parked on the Airport (not including allocated parking spaces in Exhibits "C", "D", and "E") without permission shall pay the District the amount of \$50.00 per day per automobile until moved. Each unauthorized vehicle is also subject to ticketing by Airport personnel and/or any law enforcement agency having jurisdiction at the Airport; these fines will be in addition to the \$50.00 per day per unauthorized automobile charge.

6.2 Gross Receipts. Gross receipts shall include, but shall not be limited to, all revenues from the following:

- A.** The rental or sale of goods or services under this Agreement, including, but not limited to, all monies or other consideration generated or received by Operator for the conducts of business pursuant to this Agreement, unless specifically excluded below in section 6.3 "Exclusion from Gross Receipts". Gross Receipts shall be determined by the total of charges listed on a customer receipt less any items specifically excluded. All monies or other consideration shall include the following:
 - 1.** Time and Mileage Charges and Rental Charges; Fees for insurance coverage, including Loss Damage Waiver (LDW); Partial Loss Damage Waiver (PDW); Additional (Supplemental) Liability Insurance (ALI/SLI); Personal Accident Insurance (PAI); Personal Effects Protection (PEP); Extended Roadside Assistance; Emergency Sickness Protection; and all other insurance coverage items offered now or in the future during the term of this Agreement.
 - 2.** Fees for rental equipment, including child safety seats, satellite radio access, recreational gear and car racks for recreational gear, tire chains, personal computers, GPS systems, and any other equipment offered now or in the future during the term of this Agreement.
 - 3.** Additional fees charged to Customers, including: Additional and underage fees; Upgrade and exchange fees; Fees for fueling; Pre-paid and other petroleum products; Inter-County charges (drop fees); Transportation fuels; Early and late fee return fees; Parking fees, including fee for valet parking; toll device fees (excluding Tolls themselves); Tire and battery fees; Concession Recovery

fees; Automobile license recovery fees; Frequent flyer recovery fees; Fees for miscellaneous services including road side assistance; Other fees charged now or in the future during the term of this Agreement.

4. The value of coupons and vouchers purchased by corporations and tour companies, either in advance or invoiced after use, if the rental charges are not shown in the actual receipt.
5. The contacting for delivering, picking up, or renting of rental automobiles from the Airport property, regardless of ownership, area, fleet, or location assignment and without regard to manner in which, or place at which, the rental automobiles are ordered or furnished or where the rental automobiles are returned, and without regard to duration, or of where, how or by whom payment is made.
6. A transaction in which a rental automobile is exchanged elsewhere when the rental automobile was originally contracted for, delivered, supplied, or rented at the Airport. The Operator shall not allocate transactions to any other location, regardless of which city or location own the rental car, or where the rental car is ultimately returned.

6.3 Exclusion from Gross Receipts

- A. Each exclusion from Gross Receipts shall be segregated in the Operator's monthly statement of Gross Receipts under this Agreement.
- B. Any taxes now or hereinafter levied or imposed by any local, state, or federal law which are separately stated in the rental agreement are paid by the customer and which are directly payable to the taxing or tax collecting authority by the Operator. This exclusion shall include automobile license fees, if separately stated on the rental agreement are paid by the customer.
- C. Sums received as insurance proceeds or otherwise for damage to automobiles or other property of Operator; sums received for loss, coverage, or abandonment of Operator's automobiles; and amounts paid by customers or Operator and billed as separate charges to satisfy Operator's right to recovery from customers for damage to the automobile rented.
- D. Any sums received from the disposal or furniture, fixtures, and equipment.
- E. Any sums received from a customer for reimbursement of impound fees,

Tolls, redlight tickets and parking tickets including the administration thereof.

- F. Fueling charges and CFCs
- G. Corporate discount rebates, but only to the extent that Operator provides auditable proof to District that the discounts or rebates are specifically attributable to rental agreements with customer at the Airport.
- H. Each transaction made during installment or credit shall be treated as a transaction for the full price in the month during which such charge or transaction occurs, regardless of when the Operator receives payment, whether full or partial.
- I. In no event shall the Operator's Gross Sales from any transaction be negative in any revenue for purposes of this Agreement.
- J. Operator may pass through the 10% concession fee to its customer and may "gross up" the concession fee pass thru because concession fee revenue is included as Gross Receipts per Section 6.2 Gross Receipts of this Agreement. The amount of concession fee pass thru should not exceed 11.11% on the rental car invoice.
- K. Gross sales shall not be reduced by bank charges, uncollected or uncollectible credit accounts, charges made by collection agencies, bad debt losses, or any other commission or other amount paid out or rebated by the Operator to travel agents or others with respect to any rental or sale of goods or services.

7. CUSTOMER FACILITY CHARGE

District has authorized a Customer Facility Charge ("CFC") of \$10 per rental agreement. Tenant is required to collect this fee from all customers and remit this collection to the Airport. Subject to applicable regulatory requirements, District reserves the right to modify and/or amend the previously approved CFC following consultation with the Tenant.

Tenant agrees that: (a) the CFC is not income, revenue or any other asset to Tenant; (b) Tenant has no ownership or property interest in the CFC; (c) Tenant hereby waives any claim to a possessory or ownership interest in the CFC; (d) the CFC shall be the property of the Airport and shall be held in trust by Tenant for the benefit of the Airport; and (e) the Airport (or a trustee on its behalf) has complete possessory and ownership rights to the CFC.

8. ADJUSTMENT OF RENTS/RENTAL RATES

8.1 Adjustments. An adjustment shall be made at the end of each and every

Lease Year with respect to any underpayment or overpayment of the Concession Fee, including any adjustments on account of MAG abatement. The monthly rents/rental rates may be adjusted from time to time to conform to rates and charges established by any resolution or ordinance by the District's Board of Directors to apply uniformity at the Airport.

8.2 Notification Letter. District will notify Tenant of rents/rental increases (whether as a result of annual adjustment or otherwise) by sending a notification letter stating the new rent/rental rates and effective date of the increase, which effective date shall not be less than 30 days after the notice is sent to Tenant. Provided that notice is timely sent, it shall not be necessary to amend this Agreement in order for the rent/rental rates to become effective as of the date specified in the notice.

8.3 Security and Faithful Performance Deposit. Tenant shall promptly upon entering into this Agreement, provide the District with a security deposit in the form of cash/bond/Letter of Credit in the amount of four months' total monthly rent. Tenant shall increase the security deposit so as to maintain on deposit at all times an amount equivalent to four month's then current total monthly rent.

8.4 Other Utility Fees. Electric power, Water, and Sewer are provided through the District and will be charged to Tenant on a prorated basis, based on the District's reasonable estimate of Tenant's usage. Trash, disposal, telephone service and all other utilities shall be the responsibility of Tenant.

9. PAYMENT PROCEDURE

9.1 Minimum Annual Guarantee. Except as provided in this Agreement, one twelfth (1/12th) of the Minimum Annual Guarantee is due and payable on the first (1st) day of each calendar month during the Term of this Agreement and is delinquent if not paid within (5) calendar days of when due and payable.

9.2. Monthly Statement of Gross Receipts and Percentage Fee Payment. On or before the twentieth (20th) day of each following month during the term of this Agreement, Operator shall deliver to the District a correct statement and all applicable fees as follows:

- A.** The total Gross Receipts for proceeding month.
- B.** The Percentage Fee calculated for the total Gross Receipts for the preceding month (exclusions from Gross Receipts shall be itemized); and the total amount of fees due for the preceding month.

9.3 Monthly Payment. Each monthly payment shall include the greater of the following two amounts: the Percentage Fee computed for the preceding month to one-twelfth (1/12th) of the Minimum Annual Guarantee. The monthly payment is due and payable on the twentieth (20th) day of each following calendar month during the Term

of this Agreement, and delinquent if not paid with five (5) days of when due and payable.

9.4 Cumulative Minimum Annual Guarantee and Percentage Fee. Once the cumulative Minimum Annual Guarantee monthly payment and the Percentage Fee monthly payment aggregate to the Minimum Annual Guarantee for the applicable year of the Agreement, only the Percentage Fee shall be paid for the balance of the year.

9.5 Place of Payment. All rents and fees, together with the accompanying reports and statements of Gross Receipts, shall be mailed to the following address:

Monterey Peninsula Airport District
ATTN: Accounts Receivable
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

Or other such address as District may from time to time direct in writing.

9.6 Charge For Late Payment. Operator hereby acknowledges that the late payment of fees or any other sums are due hereunder will cause District to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include but are not limited to costs such as administration processing of delinquent notices, increased accounting costs, etc.

Accordingly, if any payment of fees as specified in Section 11.1 "Concession Fees" of this Agreement, or any other sum due to the District is not received by the District within 5 days following the due date, a late fee of five (5%) of the payment due shall be added to the payment, and the total sum shall be due and payable to the District.

Operator and the District hereby agree that such late charges represent a fair and reasonable estimate of the costs that District will incur by reason of Operator's late payment. Acceptance of such late charges (and/or any portion of the overdue payment) by District shall in no event constitute a waiver of Operator's default with respect to such overdue payment or prevent District from exercising any other rights and remedies granted hereunder.

10. RECORDS AND ACCOUNTS

10.1 Records. Operator shall, at all times during the term of this Agreement, keep or cause to be kept true and complete books, records, controls, and accounts of all financial transactions, including the CFC's as applicable, in the operation of all business activities, to be supported by source documents such as sales slips, cash register tapes, purchase invoices, rental car contracts or other pertinent documents.

10.2 The Accounting Year. The accounting year shall be twelve (12) calendar months, commencing on the first day of January and ending the last day of

December.

11. ANNUAL RECONCILIATION

11.1 Concession Fees. The District will submit an annual reconciliation of concession fees within ninety (90) days of the end of each Accounting Year. No adjustment of concession fee and/or monthly Minimum Annual Guarantee Payments will be allowed from the Operator after one hundred fifty (150) days.

11.2 Customer Facility Charges. Within ninety (90) days of the end of each Accounting Year, Operator shall provide an annual reconciliation of CFC revenue, if applicable. The reconciliation shall be prepared and certified as to accuracy by a Certified Public Accountant or the Tenant's Financial Officer. Any substantiated overpayment will be refunded to Operator within forty-five (45) days of receipt or report. Underpayments will be billed.

Operator acknowledges that any and all of the "Financial Statements" submitted to the District pursuant to this Agreement are Public Record and subject to the public inspection. Income tax returns, if submitted to the District pursuant to this Agreement, shall be treated by the District as Confidential Business Information and therefore not subject to public inspection.

11.3 Audits. All Operator's books of account and records and supporting documents related to this Agreement or to business operations conducted within or from the Airport shall be made available to District upon reasonable notice. District shall, through its daily authorized agents or representatives, have the right to examine and audit said books of account, records, and supporting source documents at any and all reasonable times, upon prior written request, for the purpose of determining the accuracy thereof, and of the monthly statements of sales made, CFCs collected, and monies received. Income tax returns, if submitted to District pursuant to this Agreement, shall be treated by District as confidential business information and therefore not subject to public inspection, subject to applicable law.

The full cost of said audit, as determined by District, shall be borne by Operator either of the following conditions exists:

- A. Underpayment.** The audit reveals and underpayment of more than three percent (3%) between the fees due and reported and paid by Operator in accordance with this Agreement and the fees due as determined by said audit; and/or
- B. Adequacy of Records.** Operator failed to maintain true and complete books, records, and accounts and supporting source documents in accordance with Paragraph 10, entitled Records and Accounts. The adequacy of records

shall be determined by District in its sole and absolute discretion. Otherwise, District shall bear the cost of said audit, except expenses related to the audit of documents kept outside the limits of Monterey County.

Upon the request of District, Operator shall promptly provide, at Operator's expense, necessary data to enable District to fully comply with any requirement of the State of California or the United States of America for information or reports relating to this agreement and to Operator's use of the Airport. Such data shall include, if required, a detailed breakdown of Operator's receipts and expenses.

C. Possessory Interest/Taxes. Pursuant to Section 107.6 of the California Revenue and Taxation Code, Operator's interest in the Premises may be subject to property taxation on the possessory interest created by this Agreement. Operator agrees to pay, before delinquency, all lawful taxes, including taxes on Operator's possessory interest, which, during the term hereof, may be or become a lien or be levied upon the real property, improvements or personal property situated upon the Premises, or upon the subject matter of this Agreement.

12. ASSUMPTION OF RISKS

Operator represents that Operator has inspected said Airport and Premises, and all facilities thereupon and in connection therewith, and that Operator accepts the condition of same and fully assumes all risks incidental to use thereof. District shall not be liable to Operator for any damages or injuries to the property of person, or to other agents, employees, or business visitors of Operator, which may result from hidden, latent, or other dangerous conditions upon said Airport Premises or which may result from any condition of fire, construction, earthquake, flood, rainfall, or escape from any channel, regardless of the cause thereof.

13. DESIGNATION, ALLOCATION AND/OR RELOCATION OF READY PARKING SPACES/TOWER VEHICLE STORAGE SPACES/OVERFLOW VEHICLE STORAGE AREA

13.1 Allocated Spaces. District has initially allocated to Tenant the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces, and the amount of Overflow Vehicle Storage Area within the Premises as is set forth in Exhibits "C", "D", and "E" attached to this Agreement. District reserves the right, from time to time, to reallocate the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces and the amount of Overflow Vehicle Storage Area among the various rental car operators at the Airport, based on the market share held by each Operator or other reasonable means as District may in its reasonable business judgement they choose to employ.

13.2 Review of Market Share. District shall review rental car operator's market share

each April. Market share data will compare the Gross Receipts reported to District for the twelve months preceding April 1 (twelve months: April 1 through March 31). District shall reallocate the number of Ready Parking Spaces, the number of Tower Vehicle Storage Spaces and amount of Overflow Vehicle Storage Area among the rental car operators based on this analysis effective on May 31 each year. District shall have the right to relocate said Ready Parking Spaces, Tower Vehicle Storage Spaces and Overflow Vehicle Storage Area to other locations in the designated areas for other District purposes.

14. IMPROVEMENTS

Tenant shall not make any structural, mechanical, utility, appliance or sign changes, alterations, additions, or modification to the Premises or construct or install any new improvements to the Premises or enter into any contract for making of any or more of such, without the prior written consent of Airport's Executive Director. If Tenant desires to make improvements to the Premises, the proposed work of improvement presented to Airport's Executive Director in written form together with two sets of detailed plans for the proposed work. The District shall have thirty calendar days within which to approve or disapprove Tenant's proposal. If not approved by District in writing within the thirty-day period, the proposal shall be deemed to have been disapproved. District may condition its approval on the payment by Tenant to District or others of permitting fees. Tenant shall protect the Premises and District from any liens or other charges whatsoever, by reason of Tenant's improvements. In the event Tenant performs any work of improvement to the Premises without the consent of Airport's Executive Director, District may require that Tenant remove any and all improvements at Tenant's cost and expense. In each instance, the consent of Airport's Executive Director to any such alterations, additions, modifications, or improvements shall be deemed conditioned upon Tenant's full and faithful compliance with the provisions of this Agreement. Tenant further agrees that no banners, pennants, flags, eye catching spinners or other advertising devices, nor any temporary signs shall be permitted to be flown, installed, placed, or erected on the Premises without the prior written consent of Airport's Executive Director.

15. TITLE TO IMPROVEMENTS

Improvements of any kind placed on the Premises by Tenant shall, at the option of the District, be removed by Tenant at Tenant's expense on or by the termination date of this Agreement. As to any or all improvements owned by Tenant for which the District does not exercise the option for removal, title to those improvements shall vest in District without the cost to District without any payment to Tenant upon termination of this Agreement. Machines, appliances, equipment, and trade fixtures of any kind placed in the Premises by Tenant shall be removed by Tenant at the expiration or sooner termination or the term of this Agreement. Tenant agrees to repair any and all damage occasioned by the removal. If any machine, appliances, equipment, or trade fixtures are not removed within thirty days after the termination of this Agreement, they may be considered abandoned and shall become the

property of District without cost to District and without payment to Tenant; except that District shall have the right to have them removed at the expense of Tenant. During any period of time employed by Tenant remove machines, appliances, equipment, or trade fixtures extending beyond the expiration of earlier termination of this Agreement. Tenant shall continue to pay the full rental and other fees to District.

16. MAINTENANCE, CLEANLINESS, ALTERATIONS AND ADVERTISING

16.1 Maintenance. District agrees to keep the roof, exterior walls, plumbing and heating facilities, and the basic electric distribution system of Tenant's counter and office space in good repair; provided however, that Tenant shall be responsible for all damage to District's property caused by any willful act of negligence of Tenant, its agents or employees. District agrees to provide janitorial service for the public space in the Terminal and to keep the public and passenger space in the terminal adequately supplied and equipped. District shall maintain adequate directional signs in the Terminal. Tenant assumes full and exclusive responsibility and liability for any damage or injury to any of Tenant's personal property, equipment, fixtures, and facilities at, in and about the Airport, and for any and all personal property belonging to others in Tenant's custody or possession at the Airport.

16.2 Cleanliness. Tenant agrees to keep the Premises clear and free of all litter, garbage, debris, refuse, and to keep such Premises and area in an orderly and sanitary condition at all times.

16.3 Signage and Advertising. Tenant shall obtain prior written approval from Airport Executive Director prior to erecting or displaying any directional signs at or on the Airport, which approval shall not be unreasonably withheld. Any and all advertising desired by Tenant on Airport property must be placed through the Airport's exclusive advertising concession operator.

17. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS

Tenant shall, at Tenant's sole cost and expense, comply with all rules, regulations, ordinances, statutes and laws of all county, municipal, state, federal and other governmental authorities, now or hereafter in effect pertaining to the Airport, the Premises, or Tenant's use thereof.

18. PERMITS

Tenant shall obtain and pay for any and all permits required by all federal, state, and local government entities for any and all work on alterations, additions, modifications, installations, or improvements accomplished by Tenant or by others on behalf of or for the benefit of Tenant or caused or allowed to be accomplished by Tenant on the Premises. Any consent from Airport's Executive Director required under this Agreement shall be separate from any other consents or approvals required by any federal, state, or other governmental agency.

19. DISTRICT RULES AND REGULATIONS

District reserves the right to adopt, amend and enforce rules and regulations governing the Premises and the public areas and facilities used by tenant in connection therewith. Such rules and regulations shall be consistent with the safety, security, and all public utility of the Airport and with the rules, regulations, and orders of the Federal Aviation Administration (“FAA”) and Transportation Security Administration (“TSA”), and such rules and regulations shall not be inconsistent with the provisions of this Agreement, or the procedures prescribed and approved by the FAA, or TSA with respect to the operation of the Airport. Tenant agrees to observe, obey, and abide by all such rules and regulations heretofore or hereafter adopted or amended by District, including compliance with FAA, TSA and airport security rules, regulations and plans. With respect to the Premises, it shall be the responsibility of Tenant to take all necessary measures to carry out requirements imposed by the TSA on District as operator of the Airport pursuant to the access control system requirements of Section 1542 of Title 49 of the Code of Federal Regulations or to other requirements of 1542; and Tenant may be required to pay any and all civile penalties imposed by the TSA on District in the event that Tenant fails to carry out any such security requirements.

20. INTERRUPTION OF UTILITY SERVICE

Tenant hereby expressly waives any and all claims for damage against District arising from failure or interruption of utility services including but not limited to, electricity, gas, water, plumbing, heat, ventilation, or air conditioning.

21. INDEMNITY AND INSURANCE

21.1 Damages. This Agreement is made upon the express condition that Tenant hereby waives all claim against District for damages to property or for injury or death to any person or persons from any cause excepting however, the negligence of District or any of its agents, employees or servants arising at any time.

21.2 Insurance Coverage. Upon execution of this Agreement and prior to Tenant’s exercising any of the rights and privileges herein granted, Tenant shall, at Tenant’s expense, obtain and, throughout the life of this Agreement, maintain in full force and effect, a broad form commercial coverage policy or policies of public liability insurance protecting both Tenant and District from claims of bodily injury and property damage which may arise out of Tenant’s occupancy(ies) and use(s) of the Premises or any portion thereof, or which may arise as a result of any one, more, or all of Tenant’s activities/operations on, to, or from the Airport under authority of this Agreement. The required insurance shall include bodily injury and property damage limits of not less than \$1,000,000 combined single limits. The general liability policy shall include Blanket Contractual Liability and Products Liability coverage. Tenant shall maintain Worker’s Compensation and Employers’ Liability policies in accordance with laws of the State of California and providing coverage for all employees of Tenant. All general

liability policies shall name District as an additional insured where their interest may appear for liabilities arising in whole or in part by the conduct of the Tenant or Tenant's customers. Insurance shall be with a company or companies with an AM Best rating of A- or better in the amounts of not less than the specified herein or in minimum amounts as may be subsequently adjusted by District in the exercise of its reasonable business judgment. Tenant shall always during the term of this Agreement, including any extensions or renewal of this Agreement, provide District with a certificate from the insurance carrier or carriers insuring District and Tenant as required by this section. Insurance policies shall provide written notice to District at least thirty (30) days prior to cancellation. Where policies have normal expirations during the term of this Agreement or of any extension of this Agreement, written evidence of renewal shall be furnished to District at least thirty days prior to expiration.

22. WAIVER OF SUBROGATION

The Parties release each other and their respective authorized representatives from claims for damage to any person or the Premises and to the fixtures, personal property, Tenant improvement and alterations by District or Tenant in or on the Premises that are caused by a result from the risks insured against under any insurance policy carried by either Party and in force at the time of any such damage to the extent of the insurance proceeds received from such policy. Each Party shall cause each insurance policy obtained by it to provide that the insurance company waives all right to recovery by way of subrogation against either Party in connection with any damage by any policy. If the issuance cannot be obtained or the Party in whose favor a waiver of subrogation is desired to pay the additional premium charged, the other Party is relieved of the obligation to obtain a waiver of subrogation with respect to the particular insurance involved.

23. TAXES AND ASSESSMENTS

Tenant shall pay, as and when due (but not later than fifteen days prior to the delinquency date) any and all taxes and general and special assessments of any and all types or description whatsoever which, at any time during the term of this Agreement are levied upon or assessed against Tenant, the Premises or any one or more of the improvements belonging to District or Tenant, or upon Tenant's interests in the Premises, improvements, or other property.

24. TENANT'S RIGHT TO APPEAL

Nothing within this article shall be deemed to limit any of Tenant's rights to appeal any levies or assessments in accordance with the rules, regulations, laws, statutes, or ordinances governing the appeal process of the taxing authority making such levies or assessments.

25. DEFAULT

It is mutually understood and agreed that if any default be made in the payment of rent or other charges dues under this Agreement or in the performance of the other covenants, conditions, or agreements contained in this Agreement, or if Tenant fails to fulfill in any manner that uses and purposes for which the Premises are rented, and if such detail is not to be cured within three days after the provision of written notice if the default is in the submittal of a report, in the payment of rent or in the performance of any other monetary obligation, or ten days after the provision of written notice if the default is in the performance of any non-monetary or other obligation, then District shall have the right to immediately terminate this Agreement. District shall further have all other rights and remedies as provided by law, including without limitation the right to recover damages from the detriment proximately caused by Tenant's failure to perform under this Agreement.

26. ASSIGNMENT AND SUBLETTING

Assignment of this Agreement is prohibited. Without District's prior written consent, which shall not unreasonably be withheld, Tenant (including without limitation) any subtenant shall not either voluntarily or by operation of law hypothecate or encumber this Agreement or any interest in this Agreement, permit the uses of the Premises by any person or persons other than Tenant or sublet the Premises or any part of the Premises. Any transfer of this Agreement from Tenant by merger, consolidation, or liquidation, or the sale, conveyance, transfer by bequest of inheritance, or other transfer of a controlling interest in Tenant shall constitute an assignment of purposes of this Agreement. District's consent to a subletting shall not constitute a waiver of the necessity for such a consent to a subsequent or further subletting, whether by Tenant or any subtenant. Tenant acknowledges that District may evaluate the potential impact of a subtenant's operations on noise, traffic, parking, and other such factors in determining whether or not to give District's consent, and Tenant agrees that a denial of consent because of such concerns shall not be unreasonable.

27. DAMAGE OR DESTRUCTION OF PREMISES

In the event of damage to or destruction by fire, the elements, acts of God, or any other cause of Tenant-constructed improvements located within the Premises or in the event Tenant-constructed improvements located within the Premises are declared unsafe of occupancy by a public entity with the authority to make and enforce such a declaration, Tenant shall, within ninety days of such damage, destruction commence and diligently pursue to completion the repair, replacement, or reconstruction of improvements necessary to permit full use and occupancy of the Premises for the purposes required by this Agreement. Repair, replacement, or construction of improvements within the Premises shall be accomplished in a manner according to plans approved by District; provided, however, the Tenant shall not be obligated to repair, reconstruct, or replace the improvements following their destruction in whole or substantial part except to the extent the loss is covered by insurance carried by Tenant.

28. BANKRUPTCY

If Tenant becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Tenant's interest under this Agreement, District shall have the right to declare this Agreement in default.

29. RECORDS, REPORTS, AND AUDITS

29.1 Records. In order to ensure the availability of complete, up to date, and verifiable records with respect to any and all business conducted/done by Tenant under the authority of this Agreement. Tenant shall maintain and keep true and accurate accounts, records, books, and data, in accordance with generally accepted accounting principles, which shall, among other things, clearly and accurately show all sales made and services for cash, credit, or otherwise (without regard to whether paid or not); Gross Receipts; and the aggregate amount of sales, services, orders, and all of Tenant's business at Airport, or elsewhere under authority of this Agreement. All accounts, records, books, data, and any and all source, supporting, supplemental and/or backup documentation, including without limitation, any and all electronic data processing/machine/computer generated/retrievable records, reports, files, and registers, and/or computer tapes, disks, whether maintained by Tenant in Monterey or elsewhere, shall be retained by Tenant for a minimum of three years following the date on which they were created. Tenant, using either pre-printed, serially numbered blank-form type documents designed to be completed by hand, or serially numbered machine/computer-generated forms/documents, or a combination of these, shall ensure that a written receipt and/or Rental/Sale Agreement shall be issued for each and every rental, sale, and/or other transaction, whether for cash or credit or otherwise, which shall reflect all receipts associated with the rental/sale or other transaction to which the serially numbered document shall pertain.

29.2 Reports. Commencing with the month during which the effective date of this Agreement occurs, and then continuing monthly thereafter throughout the life of this Agreement, Tenant shall prepare and submit to District a detailed monthly statement showing the Gross Receipts of the business (broken down by the components identified in Section 6.2. The statements shall be prepared and submitted by Tenant with sufficient timeliness so as to be delivered not later than the twentieth calendar day of the month for which such statement shall be due. Tenant shall, within three months following the end of each complete operating year (i.e., the twelve-month period commencing July 1 and ending Jun 30) submit to District a detailed annual statement of Gross Receipts (broken down by components identified in Section 6.2) from the rental car business conducted by Tenant under authority of this Agreement, for the immediately preceding operating year. The annual statements shall be certified by Tenant's Financial Officer to be a complete, true, and accurate accounting of all Gross Receipts.

30. HAZARDOUS SUBSTANCES

The provision of this Section, which govern Tenant's obligations with regard to hazardous substances, as defined below, shall survive termination of this Agreement.

30.1 Definition of Hazardous Substances. For purposes of this Agreement, "Hazardous Substances" is defined to mean any substance, material, or waste, including asbestos and petroleum (including crude oil or any fractions thereof), which is or becomes designated, classified, or regulated as being "toxic", "hazardous" a "pollutant", or similar designation under any federal, state, or local law, regulation, or ordinance.

30.2 Indemnity Regarding Hazardous Substances. Tenant agrees to indemnify and hold District harmless from and against all liabilities, claims, actions, foreseeable and unforeseeable consequential damages, costs and expenses (including sums paid in settlement claims and all consultant, expert and legal fees and expenses of Tenant's counsel) or loss directly or indirectly arising out of or resulting from the presence of any Hazardous Substances as a result of Tenant's or any subtenant's activities, whether before, during or after construction, in and around any part of the property or the soil, groundwater, or soil vapor on or under the property, including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, or any resulting damages or injuries to the person or property of any of their parties or to any natural resource. Upon demand by District, Tenant shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location which affects the property, or which is brought or commenced against District, whether alone or together with Tenant, or any other person, all at Tenant's own cost and by counsel to be approved by District in the exercise of its reasonable judgement. In the alternative, District may elect to conduct its own defense at the expense of Tenant.

30.3 Compliance Regarding Hazardous Substances. Tenant has complied and shall comply and cause all occupants of the Premises to comply, with all laws, regulations, and ordinances governing or applicable to Hazardous Substances which apply or pertain to the Premises. Tenant acknowledges that Hazardous Substances may permanently and materially impair the value and use of the Premises. Tenant acknowledges that Material Safety Data Sheets (MSDS) shall be submitted to District should Hazardous Materials be stored in excess of reasonable quantities required for Tenant operations.

30.4 Notice Regarding Hazardous Substances. Tenant shall promptly notify District if it knows, suspects, or believes there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater, or soil vapor or under the property, or that Tenant or the Premises may be subject to any threatened or pending investigation by any governmental agency under law, regulation or ordinance

pertaining to any Hazardous Substance.

30.5 Site Visits, Observations, and Testing. District and its agents and representatives shall have the right at any reasonable time to enter and visit the Premises for the purpose of observing the Premises, taking, and removing solid or groundwater samples, and conducting tests on the Premises. District is under no duty, however, to visit or observe the Premises or to conduct these tests. No site visit, observation or testing by District shall result in a waiver of any default of Tenant or impose any liability on District. In no event shall any site, observation or testing by District be a representation that Hazardous Substances are or are not present in, or under the Premises, or that there has been compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. In each instance, District shall give Tenant reasonable notice before entering the Premises or any other place District is permitted to enter under this Section. District shall make reasonable efforts to avoid interfering with Tenant's use of the Premises or any other property exercising any right provided in this Section.

31. NON-DISCRIMINATION

Tenant shall always abide by the requirements of the Standard Non-Discrimination and Airport Development Provisions for Leases attached as Exhibit "F". As used in Exhibit "F" the term "Lessee" shall be deemed to refer to Tenant and the term "Lease" shall be deemed to refer to this Agreement.

32. COMPLIANCE WITH RULES AND REGULATIONS

Tenant shall at Tenant's sole cost and expense and at all times during the term of this Agreement or any renewal or extension thereof comply with and observe all rules, regulations, ordinances, and laws which have been or may be promulgated by District relating to the Premises and the use of facilities of the Airport including all fire regulations, noise control regulations and security regulations. Such rules and regulations are hereby made a part of this Agreement and Tenant's failure to keep and observe the rules and regulations shall constitute a breach of terms of this Agreement in like manner as if the same were contained herein as covenants and conditions. District reserves the right to amend or supplement the rules and regulations and to adapt additional rules and regulations applicable to the Premises, to Tenant's use of the Premises, and the use of the facilities of the Airport, District shall have no obligation to Tenant as a result of violation of any such rules by any other person. Tenant shall always obey the statutes, codes, ordinances, laws and regulations of the United States of America, the State of California, the County of Monterey, and any other governmental entity having jurisdiction as the same may from time to time be amended during the term of this Agreement.

33. COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS

Tenant shall ensure that its use of the Premises and operations are at all times in

compliance with Federal Water Pollution Control Act, National Pollutant Discharge Elimination Permit, and the Monterey Peninsula Airport District Storm Water Prevention Plan.

34. ATTORNEY'S FEES

In the event any suit is commenced to enforce, protect, or establish any right or remedy of any terms and conditions hereof, including without limitation a summary action commenced by District under laws of the State of California resulting to unlawful detainer, the prevailing Party shall be entitled to have and recover from the losing Party attorney's fees and cost of suit.

35. ACCESS BY DISTRICT

Tenant shall permit District and its agents to enter the Premises at all reasonable times for any appropriate purpose, including, without limitation, the following purposes:

To inspect the Premises; to maintain the Airport; to maintain or make such repairs to the District as obligated or may elect to make; to make repairs, alterations, or additions to any other portion of the Airport; to post notices of non-responsibility for alterations, additions, or repairs; and to show the Premises to prospective purchasers or Tenants.

District's right of entry shall be without any rebate of rent to Tenant for any loss of occupancy or quiet enjoyment of the Premises occasioned by District's entry.

36. TIME

Time is of the essence of this Agreement and each and every one of the provisions of this Agreement except in respect to delivery of possession of the Premises to Tenant.

37. ENTIRE AGREEMENT

This Agreement sets forth all the covenants, agreements and conditions between the Parties concerning the Premises and there are no other covenants, promises, agreements, conditions, or understandings either in oral or written between them. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by each of them.

38. NOTICES

Wherever notice is required by the terms of this Agreement, notice shall be deemed complete upon personal service of written notice upon the Party to whom such notice is given, or such notice may be given by prepaid U.S. first-class mail addressed as follows:

If to District:
Monterey Peninsula Airport District
ATTN: Airport Executive Director
200 Fred Kane Drive, Suite 200
Monterey, CA. 93940

With Copy to
Cole Huber LLP
Attn: MPAD District Counsel
2281 Lava Ridge Court #300
Roseville, CA 95661

If to Tenant:
The Hertz Corporation
8501 Williams Road,
Estero, FL 33928

And such notice shall be deemed complete upon the deposit with the State of California.

39. CAPTIONS

The headings and titles to the articles, sections or paragraphs of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

40. APPLICABLE-LAW

The laws of the state of California shall govern the validity, performance, and enforcement of this Agreement.

41. FORCE MAJEURE

Any prevention, delay or stoppage due to strikes, walkouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substance therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the Party obligated to perform, shall excuse the performance by such Party for a period equal to any such prevention, delay, stoppage, except for the obligation imposed with regard to rental and other charges to be paid by Tenant pursuant to this Agreement.

42. PARTIAL INVALIDITY

If any term, covenant or condition of this Agreement or the application thereof to any

person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each term, covenant and condition shall be valid and enforced to the fullest extent possible permitted by law.

43. TENSE, NUMBER AND GENDER

Each number, tense and gender used in this Agreement shall include any other tense, number, or gender, where the context and the Parties hereto or the context and references therein shall require. If Tenant shall consist of more than one person, all of the terms, covenants and conditions of this Agreement shall be joint and several as to Tenant.

44. NO PARTNERSHIP

District is not in any way or for any purpose a partner to Tenant in the conduct of its business or otherwise, or a joint ventures or a member of a joint enterprise with Tenant. The Provisions of this Agreement relating to the rent and other fees hereunder are included for the purpose of providing a method whereby the rent is measured and ascertained.

45. EXHIBITS INCORPORATED

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement by reference as though fully set forth herein, whether attached.

46. COUNTERPART COPIES

This Agreement may be signed by any number of counterparts with the same effect as if the signature to each such counterpart were upon the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the day and year first above written.

**MONTEREY PENINSULA
AIRPORT DISTRICT**

THE HERTZ CORPORATION

Michael La Pier, AAE
Executive Director

By :
Its :

APPROVED AS TO FORM:

Scott E. Huber, District Counsel

EXHIBIT A

Listed below are the Premises rented by Tenant (Section 2) with rental rates and monthly charges set by District beginning May 1, 2023 – January 31, 2024

HERTZ

- A. Office Space.** 124 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$546.00.
- B. Counter Space.** 290 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$1,276.00.
- C. Corporate Office.** 321 square feet at \$4.40 per square foot per month, for a monthly rental fee of \$1,412.00.
- D. Ready Parking Spaces. May 1, 2023 – January 31, 2024:** 73 ready parking spaces at \$40.00 per space for a monthly rental fee of \$2,920.00.
- E. Tower Vehicle Storage Spaces. May 1, 2023 – January 31, 2024:** 62 vehicle storage spaces at \$29.25 per space for a monthly rental fee of \$1,814.00.
- F. Overflow Vehicle Storage Area. May 1, 2023 – January 31, 2024:** Zero (0) square feet of additional storage area at \$0.15 per square foot, for a monthly rental fee of \$0.00.
- G. Electricity Fee.** 735 square feet (office space plus counter space) x \$0.85 rate for a monthly electricity fee of \$311.00, which electricity fee shall be considered additional rent.

TOTAL MONTHLY RENT.

- 1. May 2023 (Items A-G). \$8,279

EXHIBIT B

Illustrated below are the office and counter space rented by Tenant (Section 3.1 and 3.2).

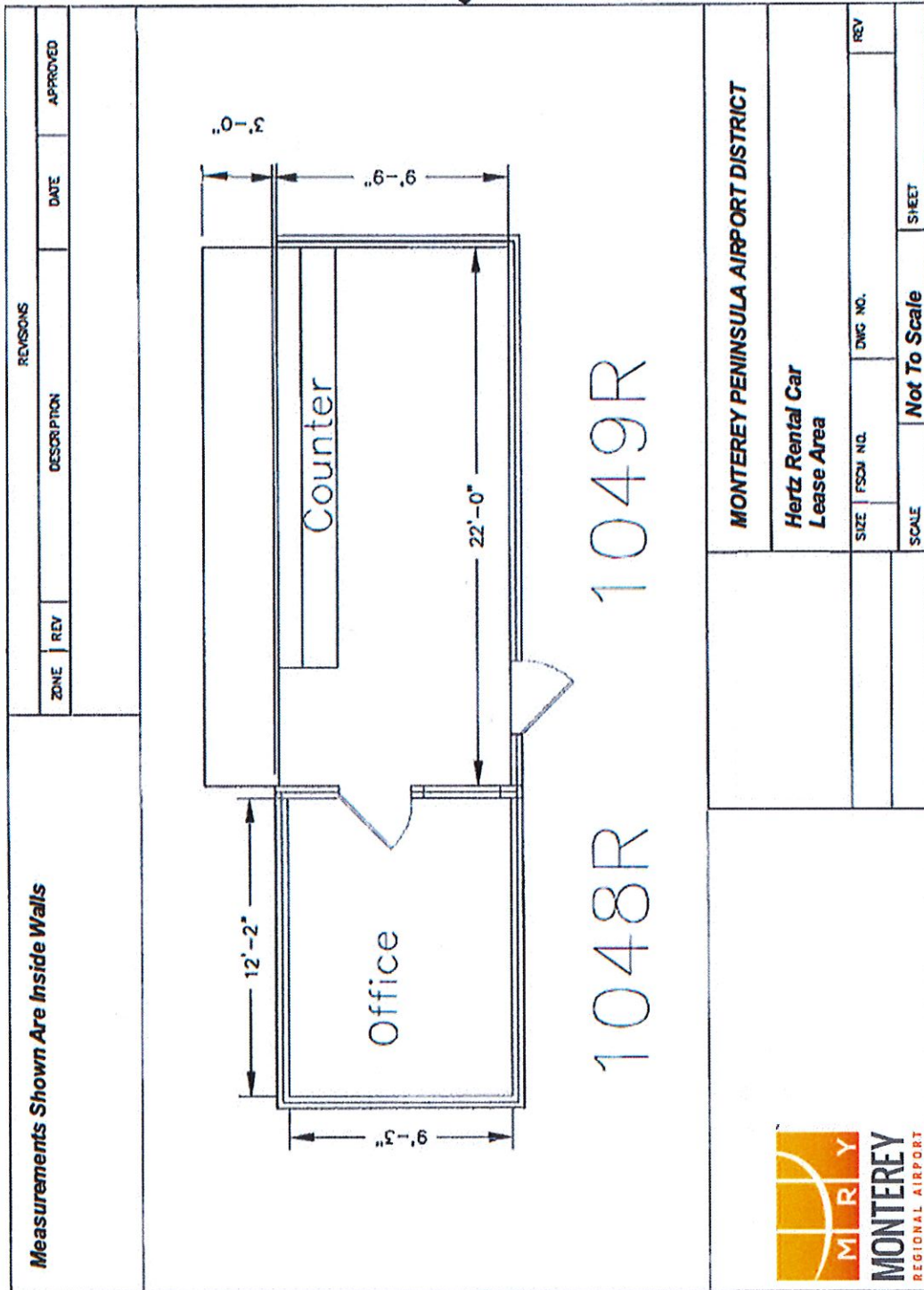


EXHIBIT D

Illustrated below are the tower vehicle storage spaces rented by Tenant (Section 3.4)

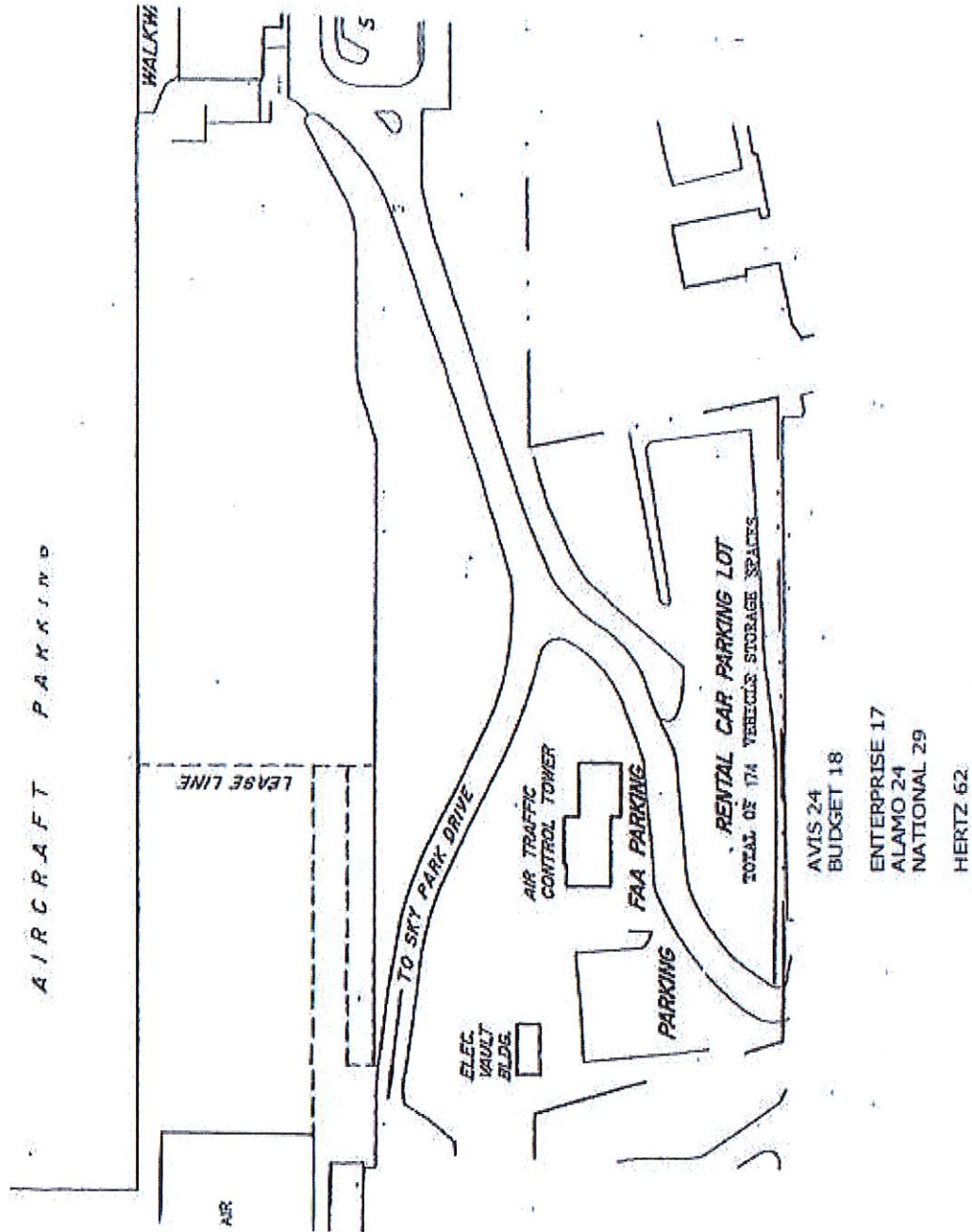


EXHIBIT E

Illustrated below is the overflow parking rented by Tenant (Section 3.5)

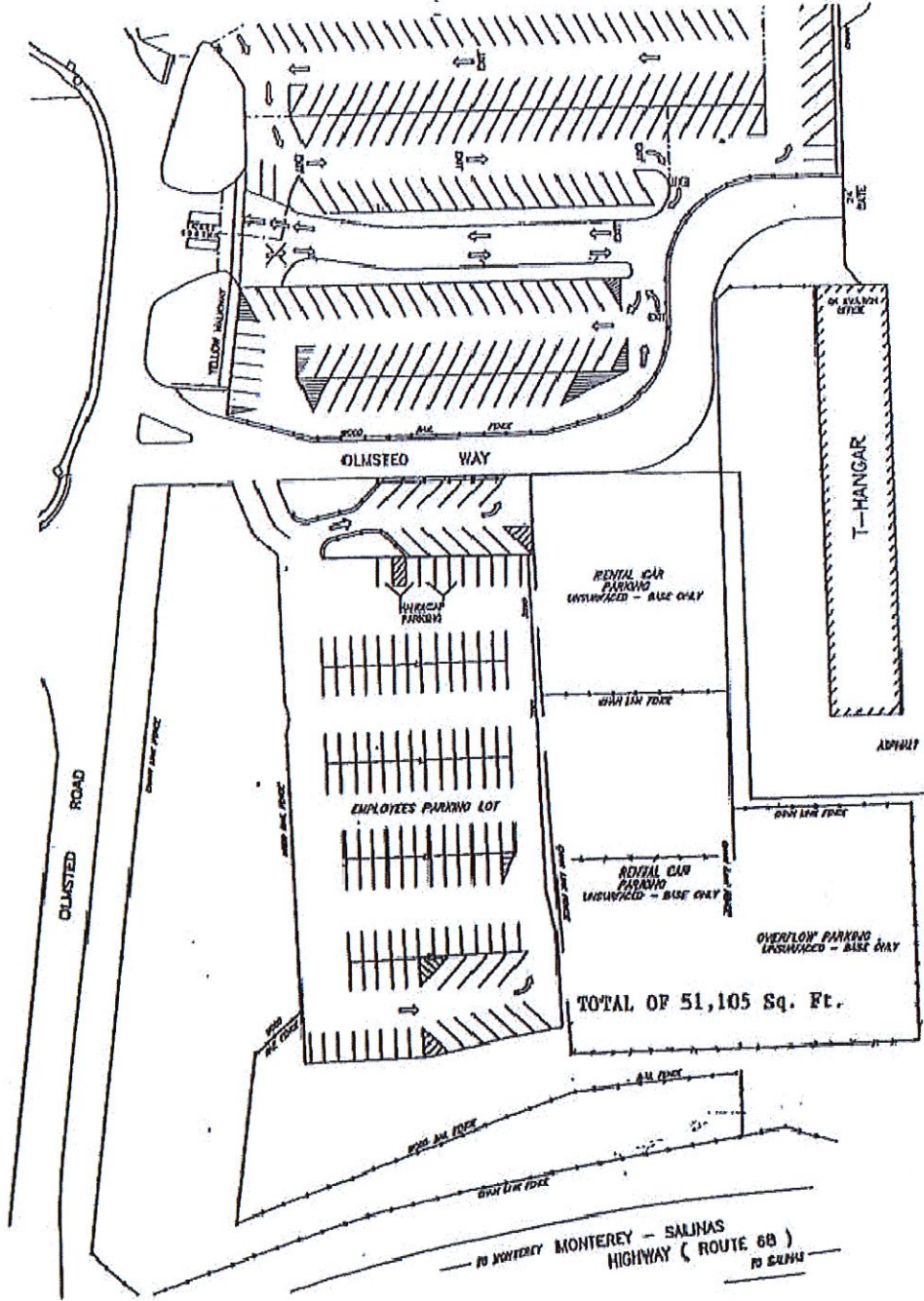


EXHIBIT F

STANDARD NONDISCRIMINATION AND AIRPORT DEVELOPMENT PROVISIONS AND LEASES

1. Lessee for himself/herself/itself and all heirs, personal representatives, successors in interest, and assigns, as a part of the consideration for these Lease to which these Standard Nondiscrimination and Airport Development Provisions for Leases are attached or made a part (hereinafter, the "Lease"), 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 said property described in the Lease (the "Premises") for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations (CFR), DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the DOT effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, 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 Premises 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, and (3) that Lessee shall use the Premises 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. Lessee for himself/herself/itself and all personal representatives, successors in interest, and assigns, as a part of the consideration for the Lease, does hereby covenant and agree as a covenant running with the land that in the event of breach of any of the above Nondiscrimination covenants, Lessor shall have the right to terminate the Lease and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Lessee shall furnish all accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchases.
5. Non-compliance with Provision 4 above shall constitute a material breach of the Lease and in the event of such non-compliance Lessor shall have the right to terminate the Lease and the estate thereby created with liability therefore or at the election of Lessor or the United States either or both said governments shall have the right to judicially enforce said provisions.
6. Lessee agrees that Lessee shall insert the above five provisions in any sublease, lease agreement or other contract by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Premises.
7. Lessee assures that Lessee will undertake and affirmative action program as required by 14 CFR Part 152, Subpart 3, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these ground from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures the Lessee will require that Lessee's covered suborganizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.
8. Lessor reserves the right to further develop or improve the landing area of the Monterey Regional Airport (the "Airport") as Lessor sees fit, regardless of the desires or view of Lessee and without interference or hindrance.
9. Lessor reserves the right but shall not be obligated to Lessee to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
10. The Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States, relative to the development, operation or maintenance of the Airport.

11. There is hereby reserved to Lessor, 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 Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation of the Airport.
12. Lessee agrees to comply with the notification and review requirements covered by Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.
13. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises covered by Part 77. In the event the aforesaid covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.
14. Lessee by accepting the Lease expressly agrees for himself/herself/itself and all successors and assigns that Lessee will not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Monterey Regional Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.
15. 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).
16. The Lease and all of the provisions thereof 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 the Airport or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

AGENDA ITEM: H
DATE: April 27, 2023

TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Department Heads
SUBJECT: Monthly Department Reports

FINANCE AND ADMINISTRATION.

[Terminal Comment Card Log by Administration](#)
[Financial Summary by Mark Wilson, Controller](#)

FIRE.

[Monthly Fire Report by Monterey Fire Department](#)

OPERATIONS.

[Operations Report by Mark Curtis, Superintendent of Field Operations](#)

PLANNING AND DEVELOPMENT.

[Planning, Environmental and Maintenance Monthly Project Report by Chris Morello, Deputy Executive Director](#)

POLICE.

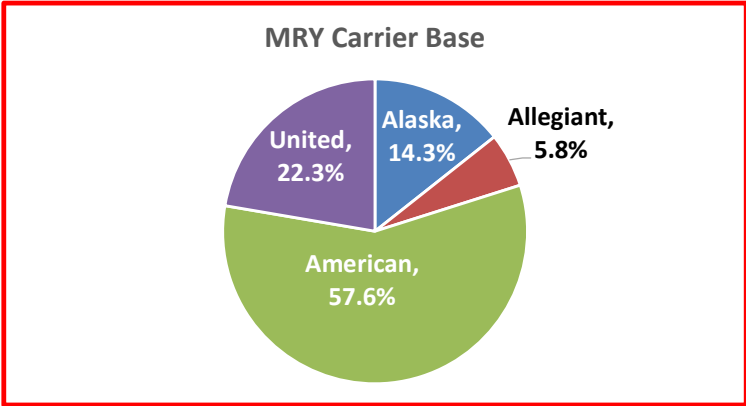
[Police Activity Report by Del Rey Oaks Police Department](#)

| RATING | DATE OF VISIT | TIME OF VISIT | PURPOSE | FLIGHT | AIRLINE | COMMENT | CITY | STATE |
|-----------|---------------|---------------|-----------|--------|----------|---|----------|-------|
| POOR | 3/28/2023 | 5:50 AM | Departing | 2181 | American | The lady at TSA by the name of Tucio decided that since my last name has a hyphen that apparently I'm an in flight risk and wouldn't let me board unless I changed my name on my ticket. On my ID it has the hyphen but when you purchase tickets it doesn't let you add the hyphen. Then she decided to power trip and send me for additional screening meanwhile my wife and 4 month old baby are waiting and crying. I had to be pulled aside and basically stripped searched in front of the whole airport just because of Tucio and her issue with my hyphenated last name. I've NEVER had this issue happen anywhere else while traveling. I will NEVER be flying out of this airport ever again. | Stamford | CT |
| EXCELLENT | 3/30/2023 | 5:00 AM | Departing | 2005 | Alaska | Excellent customer service from checking bag to getting through security. | Seattle | WA |

TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Mark Wilson, Controller
SUBJECT: Discussion and Analysis of the February 28, 2023 Financial Statements

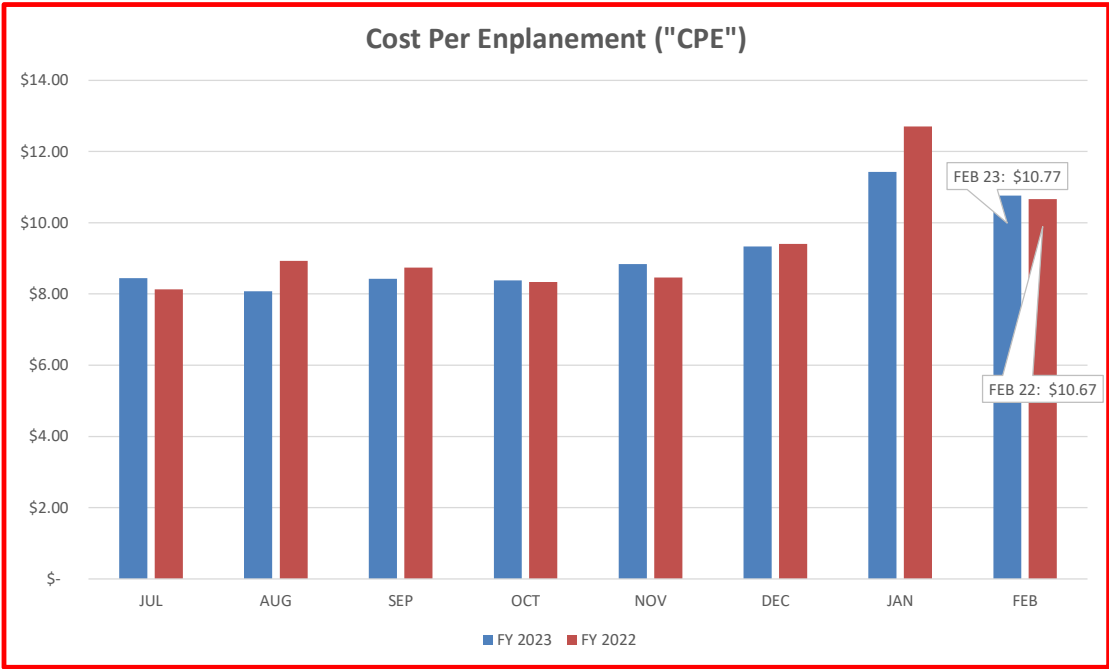
KEY OPERATING STATISTICS. February enplanements were 15,790, up 7.3% from the 14,721 in the previous period in 2022. February airline landings were less than budgeted (271 actual vs. 373 budgeted). Total Passengers for the month of February were 31,203 up from 29,373 in the previous period in 2022. Total aircraft operations for February were 3,687, down from 5,032 in the previous period in 2022, while Vehicle exit counts in the parking lots were 9,048 up 18.3% from the exit counts in February of 2022.

In February American Airlines accounted for approximately 57.6%, of the Airport's traffic.



In February the Airport's CPE was \$10.77, compared to \$10.67 in the same period in 2022 .

Chart 1



LIQUIDITY AND CAPITAL RESOURCES. As of February 28, 2023 the Airport had unrestricted cash and investments of \$14.235M with \$.987M of funds available under the CARES Grant. In February 2023, we made a CARES draw for \$705K.

To date, the Airport has received FAA Grants of \$9.483M for the new ARFF building. In addition, the Airport has previously received notice of eligibility for \$4.28M of Grants for Terminal Design under the BIL/Entitlements. In March, 2023, the Airport received notice of eligibility for another \$3.0M Grant for Terminal Design under the competitive BIL/ATP process.

As of February 28, 2023 the Airport had Restricted PFC cash and investments of \$1.827M and Restricted CFC cash and investments of \$1.096M.

The Current Ratio of unrestricted current assets to current liabilities is a very healthy 11.2X. Days Cash on Hand (based on FY 23 Budgeted Operating Expenses), was 549.

OPERATING INCOME. The Airport's higher than budgeted revenues and lower than budgeted operating expenses in February resulted in an operating income of \$141.2K, which is a favorable variance of \$212.1K to February's budgeted operating loss of \$70.8K.

| OPERATING INCOME | | | | |
|--------------------|----------------------------|----------------------------|-------------------------------------|-------------|
| | February 2023 ACTUAL | February 2023 BUDGET | VARIANCE Favorable (Unfavorable) | |
| | | | \$ | % |
| Operating Revenues | \$ 827,652 | \$ 693,340 | \$ 134,312 | 19% |
| Operating Expenses | (686,434) | (764,184) | 77,750 | 10% |
| Operating Income | <u>\$ 141,218</u> | <u>\$ (70,844)</u> | <u>\$ 212,062</u> | <u>299%</u> |

REVENUES. February 2023 combined reported Airport Operating Revenues were \$827.7K, which was \$134.3K (19%) higher than budget (\$693.3K). This favorable variance was primarily due to higher Terminal Revenues and General Aviation.

| | February 2023 ACTUAL | February 2023 BUDGET | VARIANCE Favorable (Unfavorable) | |
|--------------------------|----------------------------|----------------------------|-------------------------------------|------------|
| | | | \$ | % |
| Terminal Revenues | \$ 442,492 | \$ 363,583 | \$ 78,910 | 22% |
| General Aviation | 160,550 | 125,434 | 35,116 | 28% |
| Non-Aviation | 186,906 | 182,732 | 4,174 | 2% |
| Other Operating | 33,552 | 18,900 | 14,652 | 78% |
| Interest Income | 4,151 | 2,692 | 1,460 | 54% |
| Total Operating Revenues | <u>\$ 827,652</u> | <u>\$ 693,340</u> | <u>\$ 134,312</u> | <u>19%</u> |

Terminal Revenues:

Commercial Aviation fees (\$78.1K) for February were lower than the budget (\$84.5K) by \$6.4K/8%. This unfavorable variance was primarily due to lower than budgeted landing fees.

Terminal Rents (\$142.6K) for February were materially on budget (\$145.K).

TNC Permits & Trip Fees (\$14.6K) for February were higher than the budget (\$12.K) by \$2.6K/21%. This favorable variance was primarily due to higher than budgeted revenues for Uber and Lyft.

Terminal Concessions (\$22.3K) for February were higher than the budget (\$14.8K) by \$7.4K/50%. This favorable variance was primarily due to higher than budgeted revenues for Woody's, Lamar and Gifts & More.

Rental Car Concessions (\$102.4K) for February were higher than the budget (\$43.7K) by \$58.6K/134%. This favorable variance was due primarily to higher than budgeted rental car activity around the AT&T event.

Parking Concession (\$79.8K) for February was higher than the budget (\$59.5K) by \$20.3K/34%. Parking Concession revenues for February were budgeted at 7,650 parked cars with an average of \$7.77. In February the number of parked cars was more at 9,048 with an average of \$8.82 per car, resulting in a favorable variance.

General Aviation Revenues:

Heavy General Aviation revenues (\$127.5K) for February were higher than budget (\$92.6K) due primarily to higher than budgeted landing and fuel fees at the FBOs.

Light General Aviation revenues (\$33.1K) for February were materially on budget (\$32.8K).

Non-Aviation Revenues:

Non-Aviation revenues (\$186.9K) for February were materially on budget (\$182.7K).

Other Operating Revenues:

Other Operating revenues (\$33.6K) for February were higher than budget (\$18.9K) due primarily to higher than budgeted License Fees, Utility Chargebacks and Tenant Employee Parking.

Interest Income:

Interest Income (\$4.2K) for February was materially on budget (\$2.7K).

EXPENSES. Total operating expenses of (\$686.4K) for February were lower than the budget (\$764.2K) by \$77.8K/10%. This favorable variance was primarily due to lower Employer Benefits, Salaries & Taxes, Professional Services and Supplies & Materials, partially offset by higher than budgeted Outside and Business Services; detailed analyses follows:

OPERATING EXPENSES - BY MAJOR CATEGORY TYPE

| | February 2023 | February 2023 | VARIANCE | |
|---------------------------------|-------------------|-------------------|-------------------------------|------------|
| | ACTUAL | BUDGET | Favorable (Unfavorable) \$ | % |
| Salaries & Taxes | \$ 182,165 | \$ 195,555 | \$ 13,390 | 7% |
| Employer Benefits | 111,852 | 161,964 | 50,113 | 31% |
| Recruitment & Training | 10,861 | 10,540 | (321) | -3% |
| Business Expenses | 33,602 | 29,799 | (3,803) | -13% |
| Supplies & Materials | 4,234 | 11,250 | 7,016 | 62% |
| Repairs & Maintenance | 51,437 | 51,240 | (197) | 0% |
| Outside Services | 215,615 | 211,559 | (4,056) | -2% |
| Professional Services | 25,550 | 33,955 | 8,405 | 25% |
| Marketing, PR | 18,959 | 25,405 | 6,446 | 25% |
| Utilities | 30,276 | 31,035 | 759 | 2% |
| Interest Expense | 1,881 | 1,881 | - | 0% |
| Total Operating Expenses | \$ 686,434 | \$ 764,184 | \$ 77,750 | 10% |

OPERATING EXPENSES - BY DEPARTMENT

| | February 2023 | February 2023 | VARIANCE | |
|---------------------------------|-------------------|-------------------|-------------------------------|------------|
| | ACTUAL | BUDGET | Favorable (Unfavorable) \$ | % |
| Admin & Finance | \$ 169,570 | \$ 182,254 | \$ 12,684 | 7% |
| Planning & Development | 58,069 | 65,737 | 7,668 | 12% |
| Maintenance | 140,728 | 164,589 | 23,861 | 14% |
| Operations | 51,458 | 54,649 | 3,191 | 6% |
| Police | 98,815 | 110,623 | 11,808 | 11% |
| Fire | 137,639 | 159,747 | 22,109 | 14% |
| Board of Directors | 20,402 | 18,123 | (2,279) | -13% |
| Rental Properties | 7,873 | 6,580 | (1,293) | -20% |
| Interest Expense | 1,881 | 1,881 | - | 0% |
| Total Operating Expenses | \$ 686,434 | \$ 764,184 | \$ 77,750 | 10% |

Salary & Tax Expenses (\$182.2K) for February were lower than the budget (\$195.6K) by \$13.4K/7%. This favorable variance was primarily due to lower salaries and wages for the Maintenance Department (\$10.9K) and the Finance Department (\$3.6K).

Employer Benefit Expenses (\$111.9K) for February were lower than the budget (\$162.K) by \$50.1K or 30.9%. This favorable variance was primarily due to lower UAL amortization expense (\$33.3K) from prepaying the \$4.0M in June of 2022, lower CalPERS Health Insurance (\$13.8K) and lower CalPERS Retirement (\$1.3K).

Personnel Recruitment, Training & Pre-Employment and Related Expenses (\$10.9K) for February were materially on budget (\$10.5K).

Business Expenses (\$33.6K) were higher than the budget (\$29.8K) by \$3.8K/13%. This unfavorable variance was primarily due to higher than budgeted Insurance (\$3.1K) and Telephone (\$3.0K), partially offset by lower Telecommunications Expense (\$2.5K).

Supplies & Materials expenses (\$4.2K) for February were lower than the budget (\$11.3K) by \$7K or 62%. This favorable variance was primarily due to lower than budgeted Custodial Supplies & Materials (\$4.5K) and District Vehicle Fuel (\$2.8K).

Repair & Maintenance expenses (\$51.4K) for February were materially on budget (\$51.2K).

Outside Services expenses (\$215.6K) for were higher than the budget (\$211.6K) by \$4K or 2%. This unfavorable variance was primarily due to higher than budgeted Other Contract Services (\$4.1K) .

Professional Service expenses for the Art Program, Architect & Engineer, Legal, Audit, Computer / LAN & IT, Environmental, and Human Resources (\$25.6K) for February were lower than the budget (\$34.K) by (\$8.4K)/24.8%. This favorable variance was primarily due to lower Environmental (\$6.3K), and Computer Expenses (\$2.0K).

Marketing, Public Relations, Air Service Development and Social Media Marketing expenses (\$19.K) for February were lower than the budget (\$25.4K) by \$6.4K or 25.4%. This favorable variance was primarily due to lower than budgeted Marketing (\$5.5K), Air Service Development (\$1.2K), and Social Media Marketing expenses (\$1.8K), partially offset by higher Public Relations expense (\$2.0K).

Utilities expenses, combined, (\$30.3K) for February were materially on budget (\$31.K).

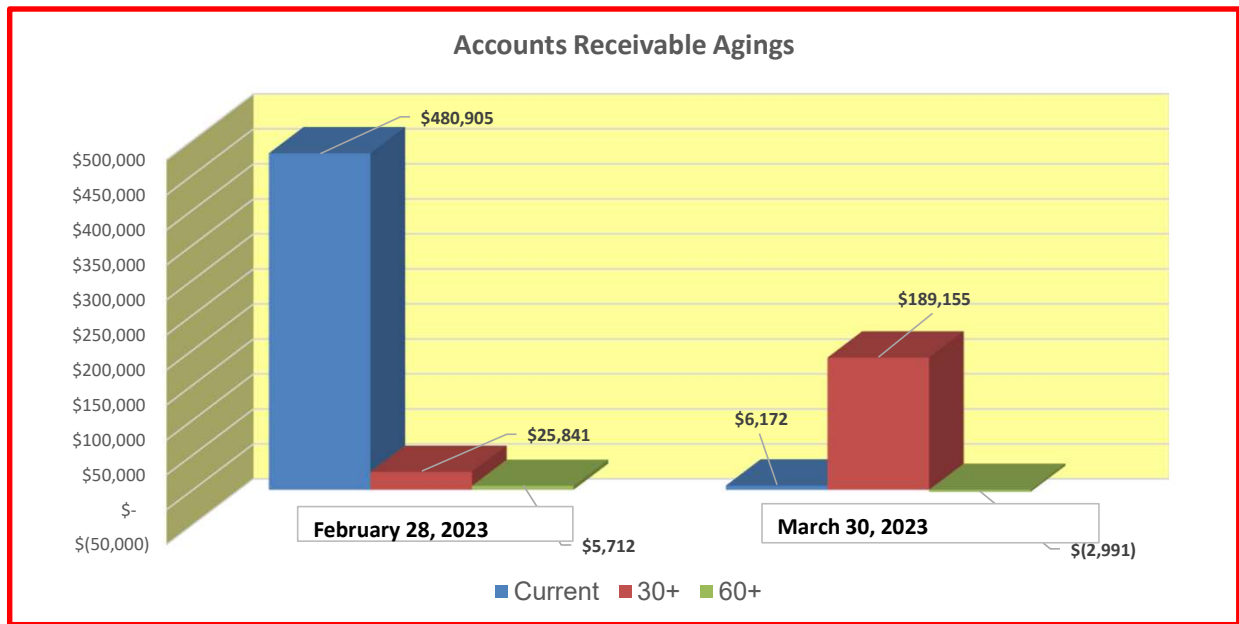
Interest expense (\$1.9K) for February was materially on budget (\$1.9K).

SELECTED BALANCE SHEET ANALYSES:

ACCOUNTS RECEIVABLE. The accounts receivable balance on February 28, 2023 was \$512.5K. This balance is \$73.4K or 17% higher than the January 31, 2023 balance (\$439.K), and \$107.1K/17% lower than the \$619.5K balance on February 28, 2022. The accounts receivable balance over 60 days old on February 28, 2023, was \$5.7K.

Chart 2 below graphically presents the aging of accounts receivable (1) as of February 28, 2023 and (2) prior to the next billing cycle (March 30, 2023).

Chart 2



Total accounts receivable of \$512.5K as of February 28, 2023 was comprised of \$120.6K/(23.5%) from Commercial Airlines, \$99.8K/(19.5%) from Rental Car companies, \$85.4K/(16.7%) from FBOs, \$72.5K/(14.2%) from Parking, \$32.5K/(6.3%) from the Monterey Hi-Way Self Storage, \$18.3K/(3.6%) from TNCs and Taxis, \$12.2K/(2.4%) from Woody's and \$71.1K/(13.9%) from all other customer accounts.

The District carries a \$10K allowance for doubtful accounts. Prepaid accounts receivable as of February 28, 2023 of \$18.3K have been reclassified to deferred revenue.

Chart 3 below graphically presents the composition of accounts receivable by major customer/concessionaire/tenant.

Chart 3

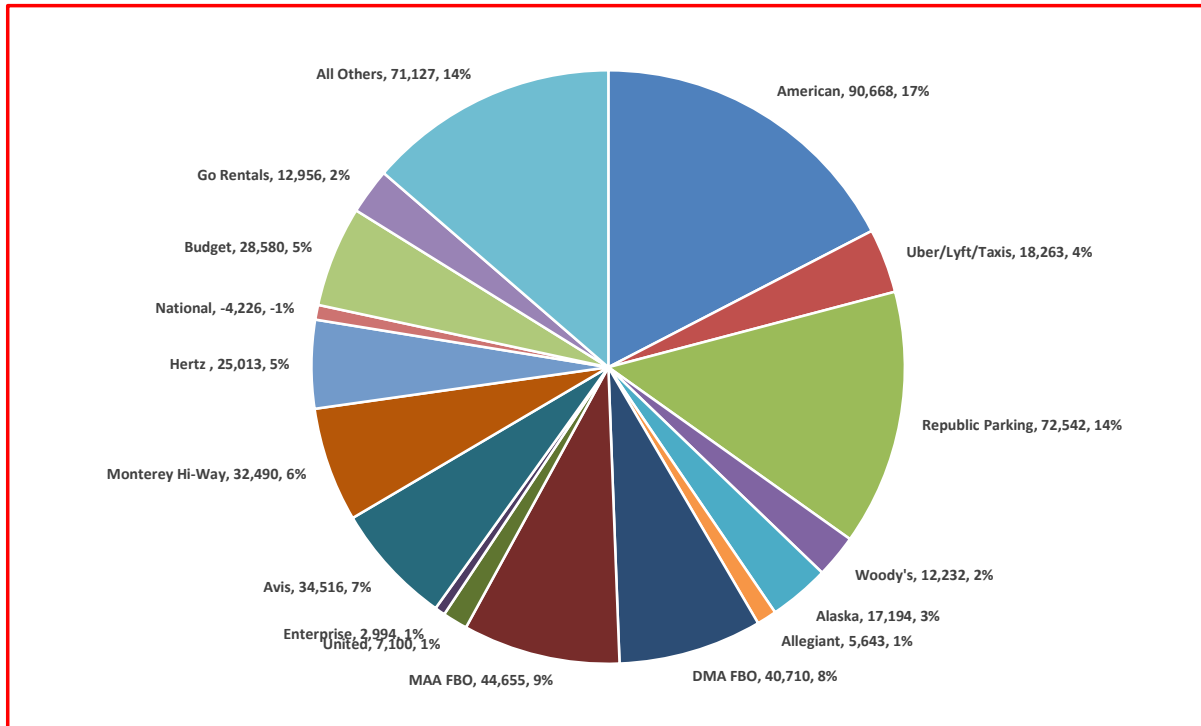
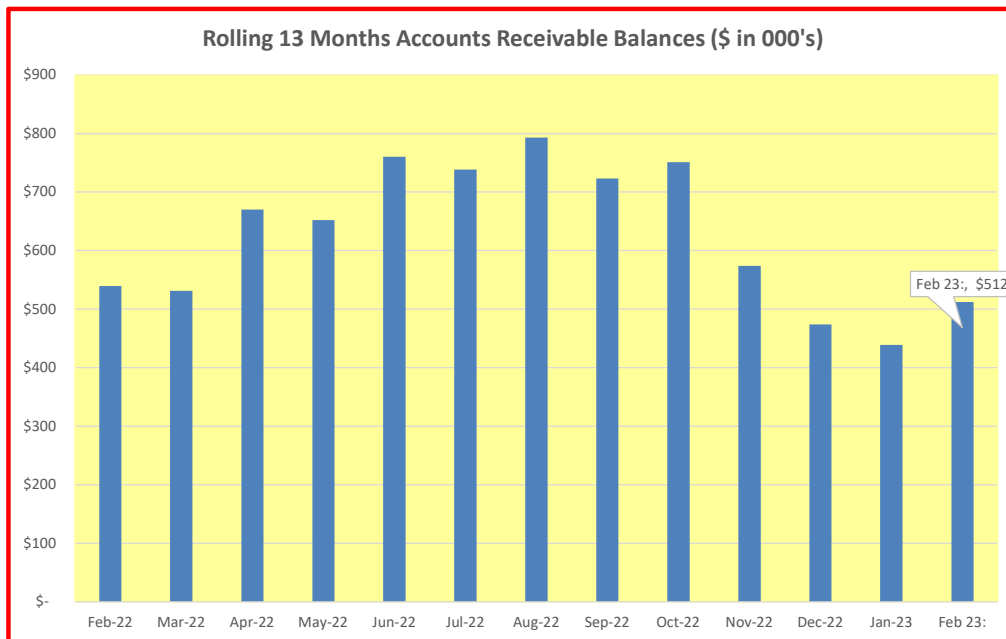


Chart 4 below depicts the total accounts receivable balances for the 13 months from February 2022 to February 2023.

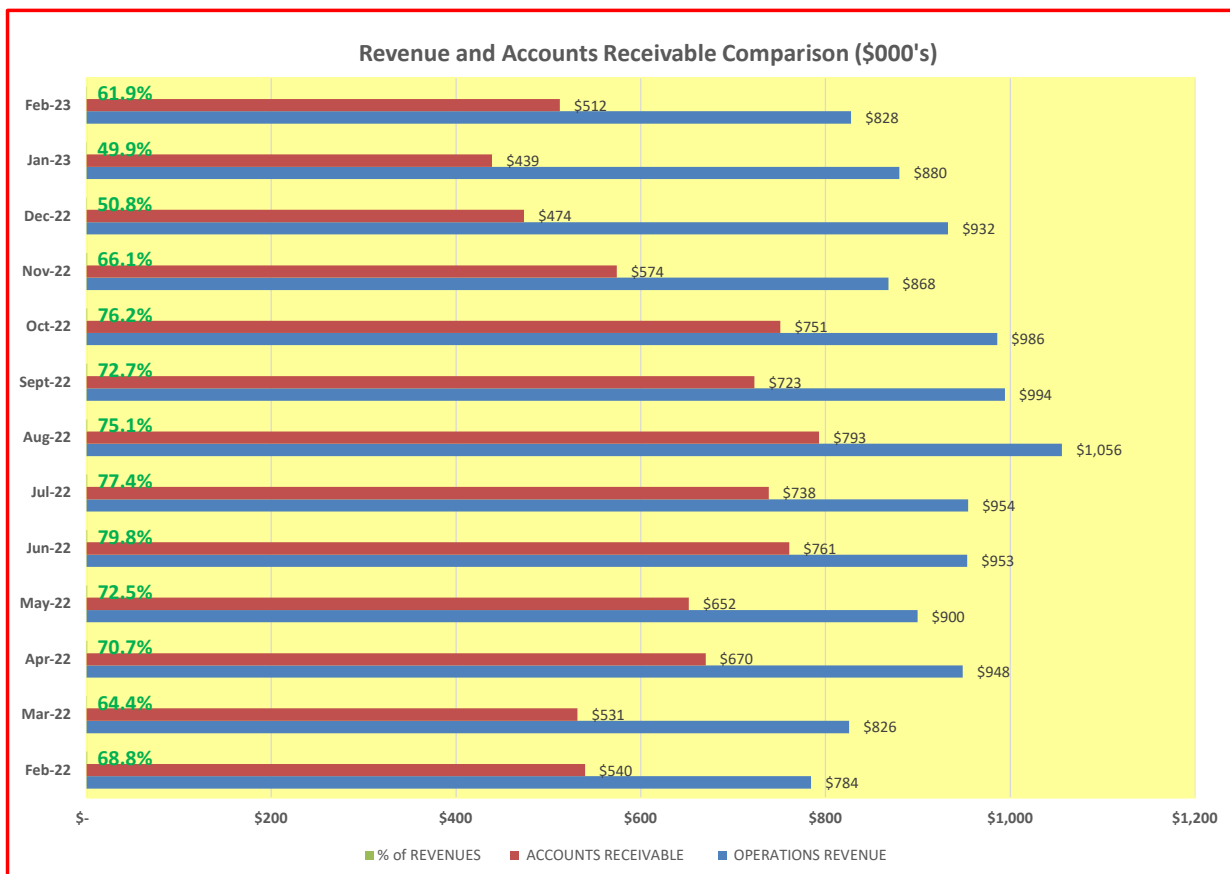
Chart 4



The balance of accounts receivable at month-end aligns with operating revenues in that month. The month-end balance of accounts receivable historically is approximately 50% to 70% of revenues. On February 28, 2023, accounts receivable is 61.9% of revenues and the rolling thirteen-month average is 68.2%.

Chart 5 below graphically presents the monthly comparison of accounts receivable to operating revenues.

Chart 5

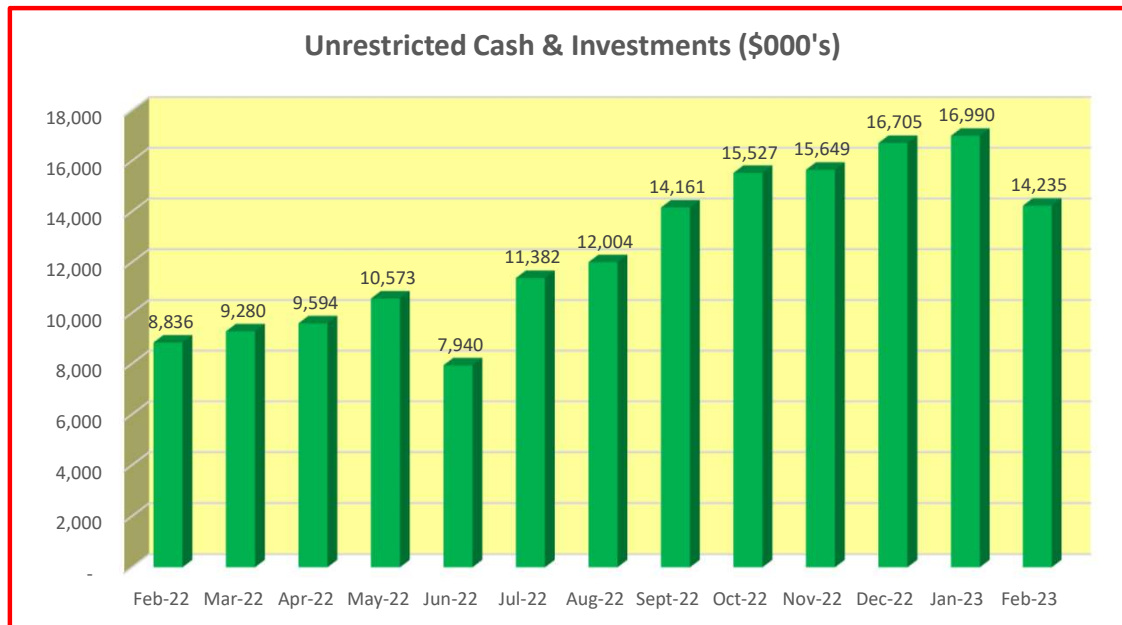


UNRESTRICTED CASH AND INVESTMENTS. The unrestricted cash and investments balance on February 28, 2023, was \$14.235M and the unrestricted cash and investments balance on January 31, 2023 was \$16.99M, a decrease of \$2.755M.

The decrease in unrestricted cash and investments was primarily due to: (1) cash used by Capital and Related Financing Activities of \$4,041K, partially offset by (2) the net cash provided by Operating Activities of \$600.3K, and (3) the net cash from our CARES Act draw of \$705K (see Statement of Cash Flows on Page 17 for more detail).

Chart 6 graphically presents the monthly balances of unrestricted cash and investments.

Chart 6



SELECTED OPERATING STATISTICS:

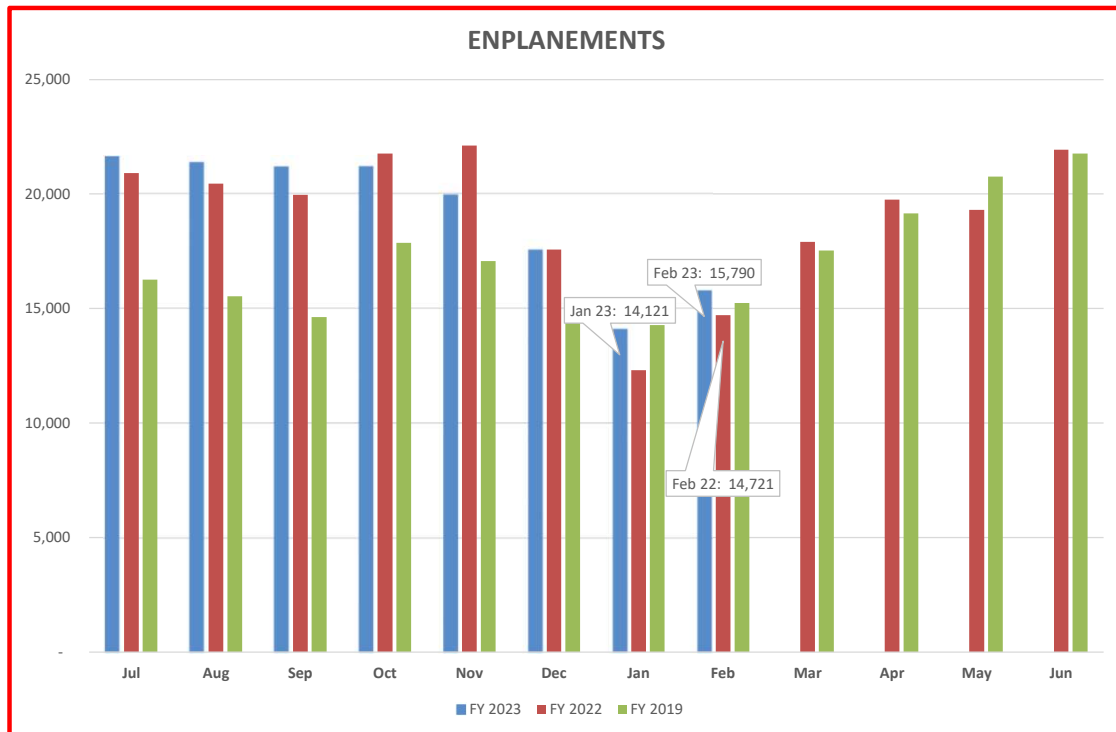
ENPLANEMENTS AND LOAD FACTORS. Table 1 presents simple load factors for fiscal years 2016 to 2023. Load factors indicate the customer utilization of available airline seat capacity which generally correlates to customer use of TCP, Taxi and TNC services, parking, and other support services. Simple load factors do not include non-revenue enplanements. Historically annual load factors range from approximately 70% to 77%. Commercial Airline aircraft types have a direct impact on capacity and potential changes in enplanements. As the mix of aircraft and destinations change, the goal is to have load factors sustained or increased, which indicates that customers are willing to use the services offered by the Airlines.

| Fiscal Year | February 28, 2023 | | | | FYTD | | | |
|-------------|-------------------|--------------|-----------------|---------|--------------|--------------|-----------------|---------|
| | Load Factors | Enplanements | Available Seats | Flights | Load Factors | Enplanements | Available Seats | Flights |
| 2023 | 70.8% | 15,790 | 22,298 | 271 | 76.9% | 138,834 | 180,477 | 2,551 |
| 2022 | 69.4% | 14,721 | 21,200 | 328 | 73.1% | 149,846 | 205,095 | 3,017 |
| 2021 | 35.6% | 5,052 | 14,188 | 192 | 42.6% | 47,795 | 112,182 | 1,537 |
| 2020 | 70.8% | 16,222 | 22,924 | 352 | 74.7% | 157,305 | 210,700 | 3,201 |
| 2019 | 68.6% | 15,242 | 22,224 | 336 | 68.5% | 126,378 | 184,615 | 2,786 |
| 2018 | 79.0% | 13,758 | 17,406 | 276 | 77.2% | 126,419 | 163,762 | 2,572 |
| 2017 | 74.3% | 15,102 | 20,316 | 320 | 74.5% | 133,051 | 178,490 | 2,736 |
| 2016 | 69.4% | 13,673 | 19,706 | 292 | 77.1% | 120,474 | 156,344 | 2,560 |

Airline/destination specific simple load factors for February 2023 were Alaska/SAN 78.8%, Alaska /SEA 63.1% American/DFW 92.7%, American/PHX 67.4%, United/DEN 79.4%, United/LAX 85.7%, United/SFO 65.8%, and Allegiant/LAS 72.8%. JSX did not fly out of MRY in February 2023.

Chart 7 below presents a comparison of monthly enplanements for FY 2023 to all FY 2022 enplanements (which reflect the seasonality of the Airport's historical business cycle). When comparing enplanements for February 2023 (15,790) and January 2023 (14,121), enplanements increased by 1,669. When comparing February 2023 to February 2022, enplanements were up: (15,790) vs. (14,721).

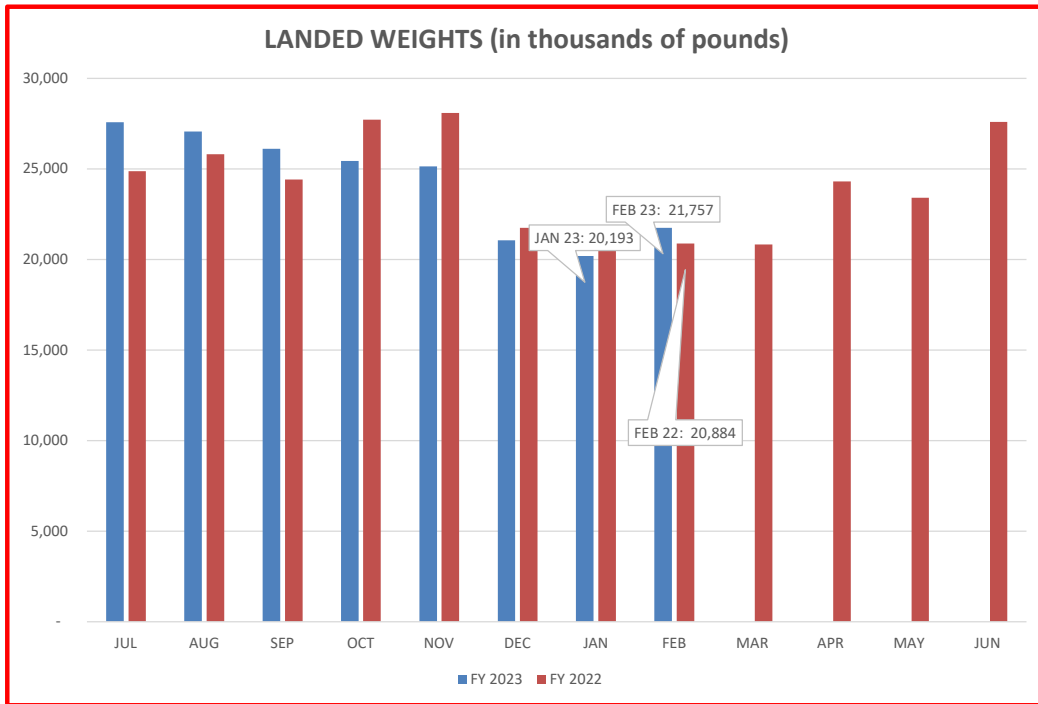
Chart 7



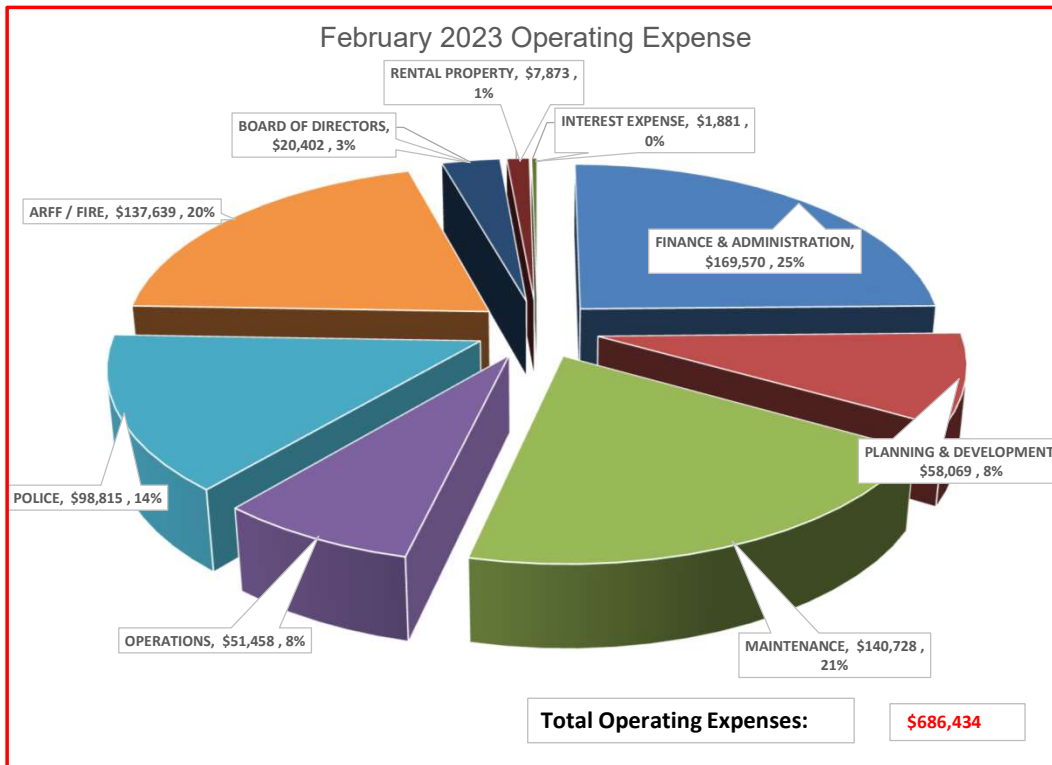
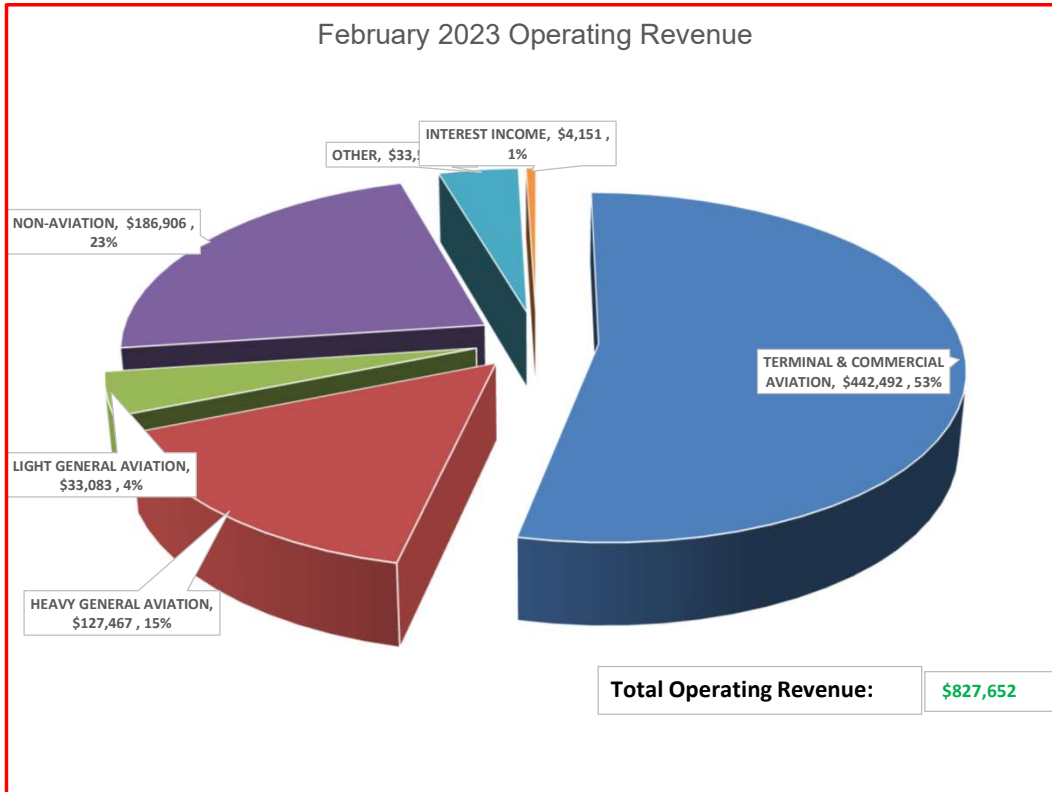
LANDED WEIGHTS. Chart 8 presents the Airport’s landed weights for FY 2022 to FY 2023. We expect landed weights to increase when American begins up-gauging with heavier aircraft (the Mainline A319 has a Maximum Gross Landing Weight of 134,482 pounds, as compared to a Maximum Gross Landing Weight of 74,957 pounds for the Regional Embraer 175).

Total landed weights for February 2023 were 21,757 thousand pounds, an increase of 873 thousand pounds over the 20,884 landed in the comparable period in 2022, and an increase of 1,564 thousand pounds over the 20,193 thousand pounds landed in January 2023.

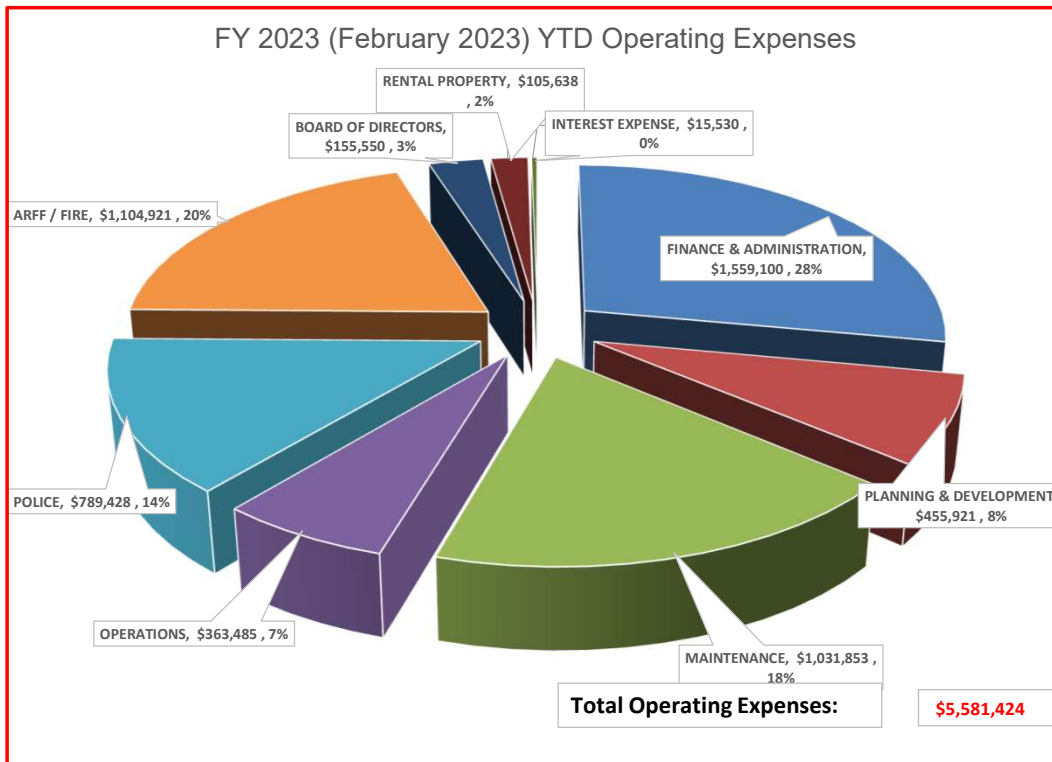
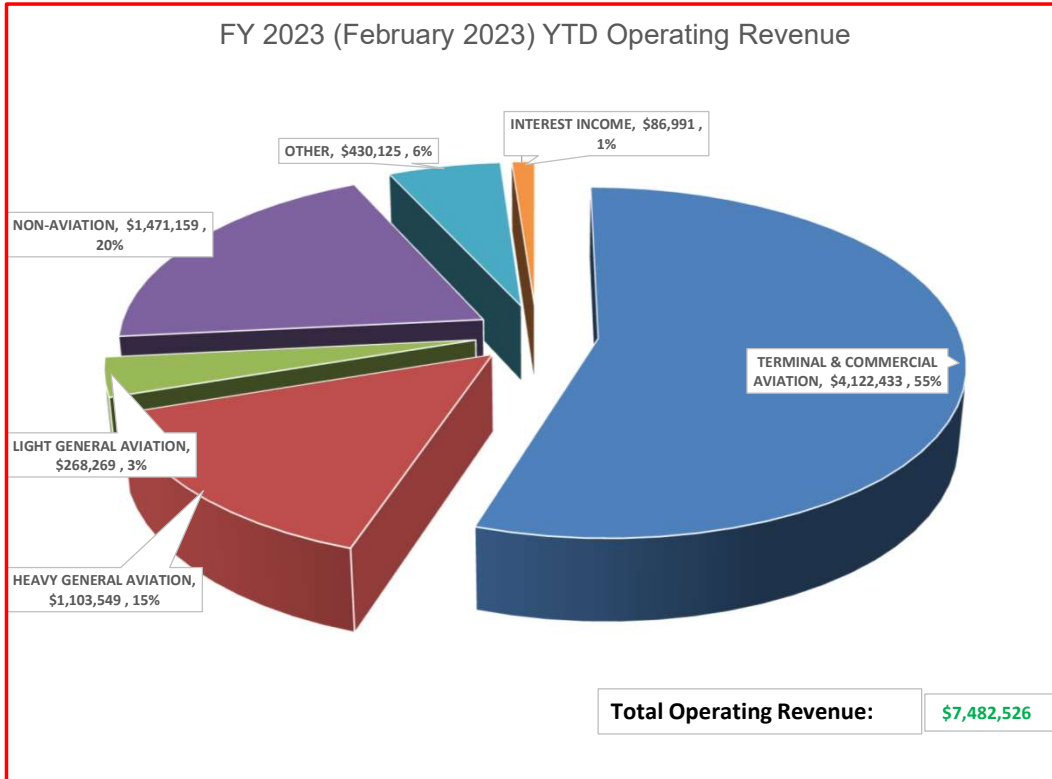
Chart 8



Monterey Peninsula Airport District



Monterey Peninsula Airport District



AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

Feb. 28, 2023

| OPERATING STATISTICS | Feb. 28, 2023 | Budget | % | Feb. 28, 2022 | YTD FY 23 | Budget | % | YTD FY 22 |
|--|---------------|----------|----------|---------------|---------------|----------|----------|---------------|
| AIRPORT ACTIVITY | | | | | | | | |
| Air Carrier Landings ¹ | 271 | 373 | -27% | 328 | 2,843 | 3,465 | -18% | 3,016 |
| Landed Weight (in thousands of pounds) | 21,757 | | | 20,884 | 194,534 | | | 194,011 |
| Enplanements | 15,790 | | | 14,721 | 152,755 | | | 149,846 |
| Passengers (emp/dep) | 31,203 | | | 29,373 | 303,059 | | | 299,624 |
| Total Cargo (in pounds) | 28,004 | | | 53,300 | 392,595 | | | 480,365 |
| Commercial | 1,142 | | | 1,305 | 11,526 | | | 12,495 |
| General Aviation | 2,368 | | | 3,438 | 23,693 | | | 26,148 |
| Military | 177 | | | 289 | 1,488 | | | 2,178 |
| TOTAL AIRCRAFT OPERATIONS | 3,687 | 0 | 0 | 5,032 | 36,707 | 0 | 0 | 40,821 |
| VEHICLE EXIT COUNT | | | | | | | | |
| Long Term (1) Lot | 2,071 | | | 1,454 | 19,962 | | | 15,350 |
| Upper Short Term (2) Lot | 1,665 | | | 1,616 | 14,469 | | | 15,648 |
| Lower Short Term (3) Lot | 5,312 | | | 4,713 | 42,561 | | | 38,544 |
| TOTAL VEHICLE EXIT COUNT | 9,048 | 0 | 0 | 7,783 | 76,992 | 0 | 0 | 69,542 |

1: Cancelled Flight Landings: Current Month =8 (2 - Alaska /0 - Allegiant /4 - American /2 - United) FYTD = 26 (9 - Alaska /0 - Allegiant /10 - American /7 - United)

| | Feb. 28, 2023 | Feb. 28, 2023 | Var. | Feb. 28, 2022 | YTD FY 23 | Budget | Var. | YTD FY 22 |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| | ACTUAL | Budget | \$ | 15% | ACTUAL | Budget | \$ | ACTUAL |
| OPERATING REVENUE | | | | | | | | |
| TERMINAL | | | | | | | | |
| CA Landing, RON, Apron, and Fuel Flowage Fees | \$ 78,066 | \$ 84,516 | \$ (6,450) | 64,875 | \$ 683,874 | \$ 764,457 | \$ (80,583) | 650,420 |
| Rents | 142,578 | 145,044 | (2,466) | 144,724 | 1,157,729 | 1,160,352 | (2,623) | 1,169,076 |
| TCP Operator Permits | 620 | 450 | 170 | 470 | 3,931 | 3,600 | 331 | 4,231 |
| Taxi Operator Permits & Trip Fees | 2,241 | 3,540 | (1,299) | 3,343 | 25,399 | 35,947 | (10,547) | 33,920 |
| TNC Permits, Trip Fees and Peer-to-Peer Rentals | 14,567 | 12,000 | 2,567 | 11,730 | 133,687 | 108,657 | 25,030 | 108,387 |
| Concessions | 22,254 | 14,823 | 7,431 | 16,069 | 181,608 | 147,425 | 34,183 | 141,801 |
| Rental Car | 102,374 | 43,741 | 58,633 | 110,058 | 1,194,028 | 1,084,718 | 109,310 | 1,149,936 |
| Parking | 79,792 | 59,469 | 20,323 | 63,410 | 742,178 | 727,536 | 14,642 | 696,123 |
| HEAVY GENERAL AVIATION | | | | | | | | |
| GA Landing Fees | 33,756 | 10,878 | 22,878 | 39,780 | 309,326 | 324,809 | (15,483) | 353,863 |
| FBO Rent | 58,677 | 60,232 | (1,555) | 57,780 | 469,416 | 481,856 | (12,440) | 462,240 |
| Fuel Fees | 35,034 | 21,479 | 13,555 | 37,197 | 324,808 | 335,420 | (10,612) | 331,170 |
| LIGHT GENERAL AVIATION | | | | | | | | |
| | 33,083 | 32,845 | 238 | 32,717 | 268,269 | 262,760 | 5,509 | 254,716 |
| NON AVIATION | | | | | | | | |
| | 186,906 | 182,732 | 4,174 | 178,244 | 1,471,159 | 1,452,578 | 18,581 | 1,473,489 |
| OTHER OPERATING REVENUE | | | | | | | | |
| | 33,552 | 18,900 | 14,652 | 21,225 | 430,125 | 265,200 | 164,925 | 252,931 |
| INTEREST INCOME | | | | | | | | |
| | 4,151 | 2,692 | 1,460 | 355 | 86,991 | 27,533 | 59,457 | 14,712 |
| TOTAL OPERATING REVENUE | \$ 827,652 | \$ 693,340 | \$ 134,312 | \$ 781,976 | \$ 7,482,526 | \$ 7,182,848 | \$ 299,678 | \$ 7,097,015 |

| | | | | | | | | |
|----------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| OPERATING EXPENSE | | | | | | | | |
| Finance & Administration | \$ 169,570 | \$ 182,254 | \$ (12,684) | 180,571 | \$ 1,559,100 | \$ 1,698,988 | \$ (139,888) | 1,194,247 |
| Planning & Development | 58,069 | 65,737 | (7,668) | 53,676 | 455,921 | 498,018 | (42,097) | 275,670 |
| Maintenance & Custodial Services | 140,728 | 164,589 | (23,861) | 130,480 | 1,031,853 | 1,274,248 | (242,395) | 757,961 |
| Airport Operations | 51,458 | 54,649 | (3,191) | 39,482 | 363,485 | 431,053 | (67,568) | 259,961 |
| Police Department | 98,815 | 110,623 | (11,808) | 102,787 | 789,428 | 878,903 | (89,474) | 620,067 |
| ARFF /Fire Services | 137,639 | 159,747 | (22,109) | 151,865 | 1,104,921 | 1,280,464 | (175,544) | 905,018 |
| Board of Directors | 20,402 | 18,123 | 2,279 | 14,126 | 155,550 | 276,584 | (121,034) | 88,399 |
| Office Rentals | 7,873 | 6,580 | 1,293 | 12,397 | 105,638 | 96,280 | 9,358 | 86,474 |
| Interest Expense | 1,881 | 1,881 | - | 2,693 | 15,530 | 13,624 | 1,906 | 26,046 |
| TOTAL OPERATING EXPENSE | \$ 686,434 | \$ 764,184 | \$ (77,750) | \$ 688,077 | \$ 5,581,424 | \$ 6,448,162 | \$ (866,738) | \$ 4,213,843 |

| | | | | | | | | |
|----------------------------------|-------------------|--------------------|-------------------|------------------|---------------------|-------------------|---------------------|---------------------|
| OPERATING INCOME / (LOSS) | \$ 141,218 | \$ (70,844) | \$ 212,062 | \$ 93,899 | \$ 1,901,102 | \$ 734,686 | \$ 1,166,416 | \$ 2,883,172 |
|----------------------------------|-------------------|--------------------|-------------------|------------------|---------------------|-------------------|---------------------|---------------------|

| | | | | | | | | |
|--------------------------------------|-----------------------|-----------------------|--------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|
| DISTRICT CAPITAL EXPENDITURES | \$ (3,560,316) | \$ (3,500,000) | \$ (60,316) | \$ (123,916) | \$ (2,670,397) | \$ (5,601,130) | \$ 2,930,733 | \$ (195,547) |
|--------------------------------------|-----------------------|-----------------------|--------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|

| | | | | | | | | |
|--------------------------------------|-------------------|--|--|--------------------|---------------------|--|--|---------------------|
| DEBT SERVICE - PRINCIPAL ONLY | \$ (1,019) | | | \$ (48,164) | \$ (110,220) | | | \$ (288,981) |
|--------------------------------------|-------------------|--|--|--------------------|---------------------|--|--|---------------------|

MONTEREY PENINSULA AIRPORT DISTRICT

Statements of Net Position

| | Feb. 28, 2023 (Unaudited) | June 30, 2022 (Audited) |
|---|--|--|
| ASSETS: | | |
| Current assets: | | |
| Unrestricted: | | |
| Cash | \$ 1,515,504 | \$ 2,004,131 |
| Investments - L.A.I.F. | 11,663,245 | 5,581,919 |
| Investments - Negotiable CDs | 1,057,479 | 768,848 |
| Accounts receivable, net of \$10,000 allowance | 502,458 | 763,199 |
| Accrued Interest receivable | 11,597 | 8,014 |
| Leases receivable (GASB 87), current portion ⁽¹⁾ | 1,092,200 | 1,092,200 |
| FAA Grant Receivable | - | 4,806,805 |
| Prepaid and other assets | 555,714 | 183,582 |
| | <u>16,398,197</u> | <u>15,208,699</u> |
| Restricted: | | |
| Cash | 2,821,025 | 2,392,750 |
| Investments - Negotiable CDs | 557,261 | 540,013 |
| Total restricted current assets | <u>3,378,287</u> | <u>2,932,763</u> |
| Total Current Assets | <u>19,776,484</u> | <u>18,141,462</u> |
| Noncurrent assets: | | |
| Leases receivable (GASB 87), net of current portion ⁽¹⁾ | 10,127,032 | 10,855,165 |
| Capital assets: | | |
| Construction-in-Process | 18,905,740 | 14,000,068 |
| Non-depreciable land | 4,206,755 | 4,206,755 |
| Depreciable capital assets, net | 64,567,973 | 66,179,970 |
| | <u>87,680,468</u> | <u>84,386,793</u> |
| | <u>97,807,500</u> | <u>95,241,958</u> |
| | <u>117,583,984</u> | <u>113,383,419</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | |
| Actuarial valuation of deferred outflows related to pensions ⁽²⁾ | 6,194,423 | 6,194,423 |
| Actuarial valuation of deferred outflows related to OPEB ⁽⁴⁾ | 410,942 | 410,942 |
| | <u>6,605,365</u> | <u>6,605,365</u> |
| LIABILITIES: | | |
| Current liabilities: | | |
| Accounts Payable | 914,390 | 935,434 |
| Accrued liabilities | 115,443 | 177,401 |
| Unearned revenues, current portion | 31,594 | 16,826 |
| Accrued compensated absences, current portion | 34,044 | 34,044 |
| Due to the City of Monterey | 0 | 19,966 |
| Loans payable, current portion | 209,972 | 209,972 |
| Funds held in trust (CFCs) | 1,134,911 | 922,457 |
| Total Current Liabilities | <u>2,440,354</u> | <u>2,316,100</u> |
| Long-term liabilities: | | |
| Security deposits | 461,575 | 442,154 |
| Unearned revenues, net of current portion | 230,044 | 238,921 |
| Accrued compensated absences, net of current portion | 140,270 | 155,573 |
| Loans payable, net of current portion | 2,128,400 | 2,238,619 |
| Actuarial valuation of net pension liability ⁽⁶⁾ | 6,509,179 | 6,509,179 |
| Actuarial valuation of OPEB liability ⁽⁷⁾ | 2,032,252 | 2,032,252 |
| Total Long-Term Liabilities | <u>11,501,720</u> | <u>11,616,699</u> |
| Total Liabilities | <u>13,942,074</u> | <u>13,932,798</u> |
| DEFERRED INFLOWS OF RESOURCES: | | |
| Actuarial valuation of deferred inflows related to pensions ⁽³⁾ | 5,159,271 | 5,159,271 |
| Actuarial valuation of deferred inflows related to OPEB ⁽⁵⁾ | 737,385 | 737,385 |
| Deferred inflows related to leases (GASB 87) ⁽¹⁾ | 11,219,232 | 11,947,365 |
| Total Deferred Inflows of Resources | <u>17,115,888</u> | <u>17,844,021</u> |
| NET POSITION: | | |
| Net investment in capital assets | 84,746,204 | 81,250,855 |
| Restricted - unspent Passenger Facilities Charges | 1,815,979 | 1,611,495 |
| Restricted - Cash Assets | 1,100,715 | 881,507 |
| Unrestricted | 5,468,489 | 4,468,108 |
| | <u>\$ 93,131,387</u> | <u>\$ 88,211,965</u> |

See Notes to Statements of Net Position.

Notes to Statement of Net Position
As of Feb. 28, 2023

| | Lease Receivable | Lease Interest | Total Lease Payments |
|--------------------------------------|----------------------|---------------------|----------------------------|
| 1. Lease Receivable (GASB 87) | | | |
| Current: | | | |
| FY 2023 | \$ 1,092,200 | \$ 343,580 | \$ 1,435,780 |
| Noncurrent: | | | |
| FY 2024 | 396,654 | 129,216 | 525,870 |
| FY 2025 | 1,046,968 | 277,587 | 1,324,555 |
| FY 2026 | 1,007,337 | 246,749 | 1,254,086 |
| FY 2027 | 1,043,172 | 215,988 | 1,259,160 |
| FY 2028-FY2032 | 2,689,211 | 763,579 | 3,452,790 |
| FY 2033-FY2037 | 1,182,766 | 493,643 | 1,676,409 |
| FY 2038-FY2042 | 1,001,169 | 342,175 | 1,343,344 |
| FY 2043-FY2047 | 1,099,260 | 181,320 | 1,280,580 |
| FY 2048-FY2052 | 581,179 | 51,152 | 632,331 |
| FY 2053 | 79,316 | 1,094 | 80,410 |
| | 10,127,032 | 2,702,503 | 12,829,535 |
| | \$ 11,219,232 | \$ 3,046,083 | \$ 14,265,315 |

The District recognizes lease revenues by category and three categories were impacted by the implementation of GASB 87; General Aviation, Terminal Concessions and Non-Aviation revenue categories.

GASB 87 specifically excludes Regulated leases for which the District is the lessor. Terminal space, aircraft hangars, and recreational vehicle parking space future lease revenue are excluded.

2. Deferred Outflows of Resources related to Pensions

| | |
|--|---------------------|
| Pension contributions subsequent to measurement date | \$ 5,035,621 |
| Differences between expected and actual experience | 1,022,699 |
| Adjustments due to differences in proportions | 136,103 |
| | \$ 6,194,423 |

3. Deferred Inflows of Resources related to Pensions

| | |
|---|---------------------|
| Net differences between projected and actual earnings on pension plan investments | \$ 4,297,015 |
| Adjustments due to differences in proportions | 9,981 |
| Differences between actual contributions and the proportionate share of contributions | 852,275 |
| | \$ 5,159,271 |

The District's proportion of the net pension liability was based on the District's share of the actuarial accrued liability of the cost-sharing plan, less the District's share of the fiduciary net position.

4. Deferred Outflows of Resources related to OPEB

| | |
|---|-------------------|
| Changes in assumptions | \$ 178,572 |
| Differences between expected and actual experience | 137,447 |
| Contributions made subsequent to the Measurement Date | 94,923 |
| | \$ 410,942 |

5. Deferred Inflows of Resources related to OPEB

| | |
|--|-------------------|
| Changes in assumptions | \$ 84,280 |
| Differences between expected and actual experience | 653,105 |
| | \$ 737,385 |

6. Net Pension Liability

| | |
|---|---------------------|
| CalPERS - Miscellaneous Plan (6/30/2021 Measurement Date) | \$ 1,522,217 |
| CalPERS - Safety Plan (6/30/2021 Measurement Date) | 4,986,961 |
| | \$ 6,509,178 |

7. Total OPEB Liability

| | |
|----------|---------------------|
| Actives | \$ 302,431 |
| Retirees | 1,729,821 |
| | \$ 2,032,252 |

MONTEREY PENINSULA AIRPORT DISTRICT
Statement of Cash Flows

| | February 2023 (Unaudited) | FYTD 2023 (Unaudited) |
|--|--|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | \$ 750,035 | \$ 7,681,588 |
| Payments to vendors for goods and services | 36,738 | (4,491,105) |
| Payments for employees pension and OPEB benefits | (70,515) | (560,372) |
| Payments to employees for services | (115,957) | (1,004,822) |
| Net Cash Provided (Used) by Operating Activities | 600,301 | 1,625,290 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Proceeds from operating grants (CARES Act) | 704,813 | 2,945,671 |
| Net cash provided by non-capital financing activities | 704,813 | 2,945,671 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds from FAA Grants and Passenger Facilities Charges | 232,312 | 8,455,024 |
| Proceeds from Customer Facilities Charges | 38,552 | 349,073 |
| Acquisition and construction of capital assets | (4,310,457) | (7,003,819) |
| Interest paid on loans | - | (15,530) |
| Principal paid on loans | (1,019) | (110,220) |
| Net cash provided (used) by capital and related financing activities | (4,040,613) | 1,674,528 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Investment income received | 324 | 80,428 |
| Investments (purchased) | 795 | (6,386,269) |
| Net cash (used) by investing activities | 1,119 | (6,305,841) |
| Net Change in Cash and Cash equivalents | (2,734,379) | (60,352) |
| Cash and Cash Equivalents at Beginning of Period | 7,070,910 | 4,396,882 |
| Cash and Cash Equivalents at End of Period | \$ 4,336,530 | \$ 4,336,530 |
| STATEMENT OF NET POSITION | | |
| CLASSIFICATION OF CASH AND CASH EQUIVALENTS: | | |
| Unrestricted | \$ 1,515,504 | \$ 1,515,504 |
| Restricted | 2,821,025 | 2,821,025 |
| Total cash and cash equivalents | \$ 4,336,530 | \$ 4,336,530 |
| Reconciliation of operating loss to net cash provided (used) by operating activities: | | |
| Operating Loss after Depreciation and Amortization | \$ (329,872) | \$ (1,880,503) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 468,821 | 3,710,144 |
| (Increase) decrease in: | | |
| Accounts receivable | (73,422) | 260,741 |
| Prepaid and other current assets | 83,976 | (372,132) |
| Increase (decrease) in: | | |
| Accounts payable | 433,826 | (21,045) |
| Accrued liabilities | 10,462 | (61,958) |
| Security deposits | 360 | 19,421 |
| Unearned revenues | (404) | 5,891 |
| Accrued compensated absences | 6,554 | (15,303) |
| Due to the City of Monterey | - | (19,966) |
| Total Adjustments | 930,173 | 3,505,793 |
| Net cash provided (used) by operating activities | \$ 600,301 | \$ 1,625,290 |
| Non-cash capital and related financing activities: | | |
| Acquisition of capital assets in accounts payable | \$ 769,624 | \$ 769,624 |
| Accrued interest on CEC loan | \$ 1,881 | \$ 15,530 |

MONTEREY PENINSULA AIRPORT DISTRICT
FINANCIAL STATEMENTS UNAUDITED

| | FY 2023 February ACTUAL | FY 2023 YEAR-TO-DATE ACTUAL |
|--|-------------------------------|-----------------------------------|
| SOURCES AND USES OF CASH -- OPERATIONS | | |
| SOURCES OF CASH: | | |
| CASH RECEIVED - OPERATING REVENUE | \$ 823,501 | \$ 7,395,535 |
| CASH RECEIVED - INTEREST INCOME | 4,151 | 86,991 |
| CASH RECEIVED | <u>827,652</u> | <u>7,482,526</u> |
| USES OF CASH -- OPERATIONS: | | |
| CASH (DISBURSED) - OPERATING EXPENSE | (684,552) | (5,565,894) |
| CASH (DISBURSED) - DEBT SERVICE (INTEREST EXPENSE) | (1,881) | (15,530) |
| CASH (DISBURSED) - DEBT SERVICE (PRINCIPAL REDUCTION) | <u>(1,019)</u> | <u>(110,220)</u> |
| CASH (DISBURSED) | <u>(687,452)</u> | <u>(5,691,644)</u> |
| CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE | <u>140,200</u> | <u>1,790,882</u> |
| USES OF CASH -- CAPITAL PROGRAM: | | |
| CASH (DISBURSED) - ALL CAPITAL PROJECTS (See Page 20) | (4,571,210) | (6,922,603) |
| CASH REIMBURSED - ALL CAPITAL PROJECTS (See Page 21) | <u>216,824</u> | <u>3,449,734</u> |
| CHANGE IN CASH POSITION FROM CAPITAL PROGRAM | <u>(4,354,386)</u> | <u>(3,472,868)</u> |
| CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE | <u>\$ (4,214,186)</u> | <u>\$ (1,681,986)</u> |

Supplemental Information:

| PAID FROM 2023 OPERATING INC: | DATE PAID | AMOUNT PAID | AMOUNT UNAMORTIZED |
|--|-----------|----------------|-----------------------|
| WORKER'S COMP PREPAID | 7/1/2022 | (43,405) | (874) |
| UAL PREPAID 07-01-2022 | 7/1/2022 | (628,029) | (205,344) |
| | | | <u>\$ (206,218)</u> |
| FAA CARES, CRRSA and ARPA Grants Billed FYTD (See Page 24) | | | <u>\$ 3,387,467</u> |

FISCAL YEAR 2023
FINANCIAL STATEMENTS UNAUDITED
Construction-In-Progress
Feb. 28, 2023

| Project Number/AIP # | Project Name | Balance at 30-Jun-22 | FYTD Additions | FYTD Placed in Service | Balance at Feb. 28, 2023 | Total Project Budget | Percentage Physically Complete |
|------------------------------|---|---------------------------------|---------------------------|-----------------------------------|-------------------------------------|-------------------------------------|---|
| CFC Funded: | | | | | | | |
| 2019-03 | Water Distribution System | \$535,192 | \$240,393 | | \$ 775,585 | \$2,828,058 | 45% |
| PFC Funded: | | | | | | | |
| 2020-04 | CCTV and Perimeter Camera System | - | 6,279 | | 6,279 | 200,000 | 5% |
| FAA Funded: | | | | | | | |
| 2020-12/AIP 73 | Northside GA Apron Construction | 8,516,259 | 378,559 | | 8,894,818 | 11,000,000 | 99% |
| 2020-13/AIP 72 | Northeast VSR Improvements | 1,912,961 | 103,970 | (2,016,931) | - | 1,946,065 | 100% |
| 2021-04/AIP 76 | SEP Phase 1 A1- Commercial Apron Design | 2,429,001 | 438,803 | | 2,867,804 | 3,350,000 | 95% |
| 2022-01/AIP 79 | SEP Phase B1/B2/B3 - ARFF Design | 374,767 | 2,196,849 | | 2,571,616 | 6,603,000 | 25% |
| 2023-01 | SEP Phase D1 - Terminal Design | 150 | 4,750 | | 4,900 | 3,775,000 | 0% |
| District Only Funded: | | | | | | | |
| 2020-14 | Northwest Building Abatement | 203,879 | - | | 203,879 | 350,000 | 50% |
| 2022-02 | Vehicle Replacement | 27,859 | 53,357 | (81,216) | - | n/a | n/a |
| 2023-04 | 2801 Property Repairs | - | 23,490 | | 23,490 | 350,000 | 0% |
| 2023-06 | Airfield Vehicle Gates - \$100K | - | 15,833 | | 15,833 | 100,000 | 15% |
| 2023-07 | Terminal Building Painting | - | 25,000 | | 25,000 | 160,000 | 16% |
| 2023-07 | West Hold Room Passenger flow upgrades | - | - | - | - | 165,000 | 0% |
| 2023-08 | SE Hangar Relocation - \$7M | - | 3,516,536 | | 3,516,536 | 7,000,000 | 0% |
| | | \$ 14,000,068 | \$ 7,003,819 | \$ (2,098,147) | \$ 18,905,740 | \$ 37,827,123 | |

FISCAL YEAR 2023
Airport Capital Improvements / Capital Expenditures
FINANCIAL STATEMENTS UNAUDITED
Feb. 28, 2023

Airport Improvement Programs

| |
|---|
| District Expenditures |
| AIP -- FAA Funded Expenditures |
| AIP -- PFC Funded Expenditures |
| AIP -- CFC Funded Expenditures |
| Total Capital Improvement Expenditures |

| Actual FY 2023 | |
|------------------------|-------------|
| Current Period | |
| \$ 3,560,315.51 | 78% |
| 777,229.37 | 17% |
| 80,543.00 | 2% |
| 153,122.00 | 3% |
| \$ 4,571,209.88 | 100% |

| Actual FY 2023 | |
|------------------------|-------------|
| Year-To-Date | |
| \$ 2,670,396.80 | 39% |
| 3,519,516.51 | 51% |
| 492,297.07 | 7% |
| 240,392.40 | 3% |
| \$ 6,922,602.78 | 100% |

FY 2022/23 District Capital Expenses/Budget:

| | Actual PTD | Budget PTD | Actual FYTD | Budget FYTD |
|--|-----------------------|-----------------------|-----------------------|------------------------|
| 2019-03 Water Distribution System | C \$ 153,122.00 | - | \$240,392.73 | \$ 1,051,705.00 |
| 2020-04 CCTV and Perimeter Camera System | R - | - | 6,278.97 | 200,000.00 |
| 2020-12 Northside GA Apron Construction | R 18,916.99 | 20,405.00 | 378,558.72 | 440,194.00 |
| 2020-13 Northside VSR Improvement | D - | - | 103,969.95 | - |
| 2020-14 Northwest Building Abatement | D - | 50,000.00 | - | 144,425.00 |
| 2021-04 SEP Phase A1 Commercial Apron | R 10,983.37 | - | 438,803.24 | 1,398,403.00 |
| 2022-01 SEP Phase B1/B2/B3-ARFF Design | R 827,872.01 | 949,167.00 | 2,196,849.10 | 4,768,336.00 |
| 2022-02 Replacement Vehicles | D - | - | (27,859.00) | 55,000.00 |
| 2023-01 SEP Phase D1 Terminal Design | R 2,946.25 | 209,720.00 | 4,750.36 | 1,677,760.00 |
| 2023-02 Runway 28L-10R Treatment | R - | - | - | 2,170,000.00 |
| 2023-03 Commercial Apron Construction | R - | - | - | - |
| 2023-04 2801 Property Repairs | D - | - | 23,489.45 | 175,000.00 |
| 2023-05 Fred Kane to Skypark Pavement Improvements | D - | - | - | 250,000.00 |
| 2023-06 Airfield Vehicle Gate Upgrades | D 15,833.00 | - | 15,833.00 | 100,000.00 |
| 2023-07 Terminal Building Outside Painting | D 25,000.00 | - | 25,000.00 | 325,000.00 |
| 2023-08 Southeast Hangar Relocation | D 3,516,536.26 | - | 3,516,536.26 | 3,500,000.00 |
| | \$4,571,209.88 | \$1,229,292.00 | \$6,922,602.78 | \$16,255,823.00 |

R - District advances to FAA/PFC projects that will be reimbursed through grant draws; D - District only Expense projects; C - Project that will be funded using CFC funds.

FISCAL YEAR 2023
FINANCIAL STATEMENTS UNAUDITED
Reimbursements of Construction-In-Progress
Feb. 28, 2023

| Project Number/AIP # | Project Name | FAA | PFC | CFC | Totals |
|---------------------------------|---|--------------------|------------------|------------------|--------------------|
| Jul 2022 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | 14,950 | |
| FAA/PFC Funded: | | | | | |
| 2021-04/AIP 76 | SEP Phase 1 A1- Commercial Apron Design | 171,860 | 6,711 | | |
| | | <u>171,860</u> | <u>6,711</u> | <u>14,950</u> | \$193,521 |
| Aug 2022 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | 1,402 | |
| FAA/PFC Funded: | | | | | |
| 2020-12/AIP 73 | Northside GA Apron Construction | | 2,151 | | |
| 2021-04/AIP 76 | SEP Phase 1 A1- Commercial Apron Design | 116,876 | 45,640 | | |
| | | <u>116,876</u> | <u>47,791</u> | <u>1,402</u> | \$166,069 |
| Sept 2022 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | | |
| FAA/PFC Funded: | | | | | |
| 2020-12/AIP 73 | Northside GA Apron Construction | 252,159 | 25,975 | | |
| 2020-13/AIP 72 | Northeast VSR Improvements | 258,990 | | | |
| | | <u>511,149</u> | <u>25,975</u> | <u>-</u> | \$537,125 |
| Oct 2022 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | 64,185 | |
| FAA/PFC Funded: | | | | | |
| 2020-12/AIP 73 | Northside GA Apron Construction | 5,127 | | | |
| 2021-04/AIP 76 | SEP Phase 1 A1- Commercial Apron Design | 305,523 | 21,439 | | |
| 2022-01/AIP 79 | SEP Phase B1/B2/B3 - ARFF Design | 615,670 | | | |
| | | <u>926,320</u> | <u>21,439</u> | <u>64,185</u> | \$1,011,944 |
| Nov 2022 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | | |
| FAA/PFC Funded: | | | | | |
| 2020-12/AIP 73 | Northside GA Apron Construction | 194,123 | 22,379 | | |
| 2020-13/AIP 72 | Northeast VSR Improvements | 18,863 | 84,352 | | |
| 2022-01/AIP 79 | SEP Phase B1/B2/B3 - ARFF Design | 111,466 | 10,924 | | |
| | | <u>324,452</u> | <u>117,655</u> | <u>-</u> | \$442,107 |
| Dec 2022 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | | |
| FAA/PFC Funded: | | | | | |
| 2020-12/AIP 73 | Northside GA Apron Construction | | 953 | | |
| 2021-04/AIP 76 | SEP Phase 1 A1- Commercial Apron Design | 468,951 | 12,733 | | |
| | | <u>468,951</u> | <u>13,686</u> | <u>-</u> | \$482,637 |
| Jan 2023 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | 20,983 | |
| FAA/PFC Funded: | | | | | |
| 2022-01/AIP 79 | SEP Phase B1/B2/B3 - ARFF Design | 378,524 | | | |
| | | <u>378,524</u> | <u>0</u> | <u>20,983</u> | \$399,507 |
| Feb 2023 Reimbursements | | | | | |
| CFC Funded: | | | | | |
| 2019-03 | Water Distribution System | | | 35,098 | |
| FAA/PFC Funded: | | | | | |
| 2022-01/AIP 79 | SEP Phase B1/B2/B3 - ARFF Design | 181,726 | | | |
| | | <u>181,726</u> | <u>0</u> | <u>35,098</u> | \$216,824 |
| | | \$3,079,858 | \$233,257 | \$136,618 | \$3,449,734 |

FISCAL YEAR 2023
Schedule Of Cash and Investments
FINANCIAL STATEMENTS UNAUDITED

| | <u>Purchase Date</u> | <u>Maturity Date</u> | <u>Value At Feb. 28, 2023</u> | <u>Interest Rate</u> |
|--|--------------------------|--------------------------|-----------------------------------|--------------------------|
| UNRESTRICTED: | | | | |
| Pooled Money Investment Account - MPAD | | | | |
| State of California - Local Agency Investment Fund | Various | Various | \$ 11,736,046.97 | 2.07% |
| Money Market Account - MPAD | | | | |
| JP Morgan Chase - District Reserve - Money Market Account | | | 567,166.15 | 0.01% |
| Debt Service Accounts - MPAD | | | | |
| JP Morgan Chase - California Energy Commission Loan Reserve | | | 94,933.22 | 0.01% |
| Royal Alliance - Certificates of Deposits and Cash Equivalents - MPAD | | | | |
| American Express NATL BK | 04/13/22 | 04/15/24 | 200,000.00 | 2.25% |
| Capital One Bank USA New York CFT DEP ACT/365 | 04/13/22 | 04/15/25 | 250,000.00 | 2.60% |
| Goldman Sachs Bk USA New York CTF DEP ACT/365 | 04/13/22 | 04/15/25 | 200,000.00 | 2.25% |
| Sallie Mae BK Salt Lake City UT CTF DEP ACT/365 | 06/13/19 | 06/13/23 | 125,000.00 | 3.30% |
| Sallie Mae BK Salt Lake City UT CTF DEP ACT/365 | 06/28/22 | 07/08/24 | 250,000.00 | 3.30% |
| Cash And Cash Equivalents | Various | Various | 63,123.22 | Variable |
| | | | <u>1,088,123.22</u> | |
| General Accounts - MPAD | | | | |
| JP Morgan Chase - various checking accounts | | | 852,602.81 | |
| | | | 14,338,872.37 | |
| | | | (72,802.20) | |
| | | | (30,643.76) | |
| | | | <u>\$ 14,235,426.41</u> | |
| | | | 14,338,872.37 | |
| | | | (72,802.20) | |
| | | | (30,643.76) | |
| | | | <u>\$ 14,235,426.41</u> | |

FISCAL YEAR 2023
Schedule Of Cash and Investments
FINANCIAL STATEMENTS UNAUDITED

| | <u>Purchase Date</u> | <u>Maturity Date</u> | <u>Value At Feb. 28, 2023</u> | <u>Interest Rate</u> |
|---|--------------------------|--------------------------|-----------------------------------|--------------------------|
| RESTRICTED: | | | | |
| Passenger Facility Charges (PFCs) - RESTRICTED: | | | | |
| JP Morgan Chase - Passenger Facility Charges (PFCs) | | | \$ 1,258,717.76 | 0.01% |
| Royal Alliance - Certificates of Deposits and Cash Equivalents: | | | | |
| American Express NATL BK | 04/13/22 | 04/15/24 | 100,000.00 | 2.60% |
| Capital One Bank USA New York CFT DEP ACT/365 | 04/13/22 | 04/15/25 | 100,000.00 | 3.15% |
| Goldman Sachs Bk USA New York CTF DEP ACT/365 | 04/13/22 | 04/15/24 | 100,000.00 | 2.25% |
| Cash and Cash Equivalents | Various | Various | 268,124.09 | Variable |
| | | | <u>\$ 1,826,841.85</u> | |
| Customer Facility Charges (CFCs) - RESTRICTED: | | | | |
| JP Morgan Chase - Customer Facility Charges (CFCs) | | | <u>\$ 1,095,714.76</u> | 0.01% |
| Tenant's Security Deposits - RESTRICTED: | | | | |
| JP Morgan Chase - Money Market Account | | | <u>\$ 461,592.84</u> | 0.01% |
| Airport Improvement Program - RESTRICTED: | | | | |
| JP Morgan Chase - AIP Checking Account | | | <u>\$ 5,000.00</u> | |
| Sub-Total: MPAD Cash and Investments - Restricted | | | 3,389,149.45 | |
| Less: CDs Feb. 28, 2023 matrix pricing adjustment | | | <u>(10,977.00)</u> | |
| Sub-total: Restricted Cash and Investments | | | <u>3,378,172.45</u> | |
| Total MPAD Cash and Investments: | | | <u>\$ 17,613,598.86</u> | |

Monterey Peninsula Airport District
 CARES, CRSSA and ARPA Grants, Expenditures Processed and Balances
 Feb. 28, 2023

CARES ACT GRANT -3-06-0159-071-2021

| Grant Date | Grant Amount | Total Draws | | FY 2023 | | Balance |
|------------|---------------|--------------------|----|-----------|----|---------|
| | | Prior Fiscal Years | | Draws | | |
| 5/13/2020 | \$ 12,664,025 | \$ 8,289,975 | \$ | 3,387,467 | \$ | 986,583 |

CRSSA ACT CONCESSIONS GRANT -3-06-0159-075-2021

| Grant Date | Grant Amount | | | Total Draws* | | Balance |
|------------|--------------|----|---|--------------|----|---------|
| 3/22/2021 | \$ 50,110 | \$ | - | \$ 50,110 | \$ | - |

ARPA ACT GRANT -3-06-0159-077-2021

| Grant Date | Grant Amount | | | Total Draws | | Balance |
|------------|--------------|----|-----------|-------------|----|---------|
| 8/12/2021 | \$ 3,149,773 | \$ | 3,149,773 | \$ - | \$ | - |

ARPA ACT LARGE CONCESSIONS GRANT -3-06-0159-078-KY 2022

| Grant Date | Grant Amount | | | Total Draws* | | Balance |
|------------|--------------|----|---|--------------|----|---------|
| 12/22/2021 | \$ 40,088 | \$ | - | \$ 40,088 | \$ | - |

ARPA ACT SMALL CONCESSIONS GRANT -3-06-0159-078-KY 2022

| Grant Date | Grant Amount | | | Total Draws* | | Balance |
|------------|----------------------|-----------|-------------------|---------------------|-----------|----------------|
| 12/22/2021 | \$ 160,351 | \$ | - | \$ 160,351 | \$ | - |
| | <u>\$ 16,064,347</u> | <u>\$</u> | <u>11,439,748</u> | <u>\$ 3,638,016</u> | <u>\$</u> | <u>986,583</u> |

| | | | | | | | |
|------------------------|----------------------|-----------|-------------------|-----------|------------------|-----------|----------------|
| Grant Funds General | \$ 15,813,798 | \$ | 11,439,748 | \$ | 3,387,467 | \$ | 986,583 |
| Grant Funds Concession | 250,549 | | - | | 250,549 | | - |
| Grants Funds | <u>\$ 16,064,347</u> | <u>\$</u> | <u>11,439,748</u> | <u>\$</u> | <u>3,638,016</u> | <u>\$</u> | <u>986,583</u> |

*Draws submitted and pending approval: (250,549)
 Funded: \$ 3,387,467

CARES ACT DRAWS:

| | |
|------|---------------------|
| July | \$ 572,752 |
| Aug | - |
| Sept | 654,933 |
| Oct | 567,444 |
| Nov | - |
| Dec | 887,525 |
| Jan | - |
| Feb | 704,813 |
| Mar | - |
| Apr | - |
| May | - |
| June | - |
| | <u>\$ 3,387,467</u> |



MONTEREY FIRE DEPARTMENT

Report to Airport Board of Directors

March 2023

1. Incident Responses

Engine assigned to Fire Station 16 (Airport) responded to a total of 30 incidents during the month as follows:

- MPAD property – 7
- City of Monterey – 21
- Other Cities in Monterey Fire Jurisdiction – 0
- Auto / Mutual Aid – 2

2. Training

Personnel completed a total of 98.0 hours of Airport related training during the month.

Currently the following numbers of personnel are qualified in the ARFF training program:

- Awareness (familiar with operations at the Airport): 78
- Operational (qualified to work at Airport, but live fire training not current): 34
- Technician (fully qualified to be the designated ARFF fire engineer): 12

3. Other

- March is our month to get personnel qualified with their live fire training. We sent 12 personnel to the ARFF training facility at DFW. As always, they found it to be a great experience and a good refresh of those perishable skills.

4. Incident List – on Airport property incidents

| Alarm Date / Time | Response Time | Location | Incident Type |
|--------------------|---------------|------------------|--|
| 3/1/2023 8:32 PM | 0:02:36 | 100 Sky Park DR | EMS call, excluding vehicle accident with injury |
| 3/9/2023 8:49 PM | 0:11:25 | 1174 Airport RD | Alarm system sounded due to malfunction |
| 3/9/2023 9:11 PM | 0:04:11 | 200 Fred Kane DR | Smoke detector activation due to malfunction |
| 3/10/2023 12:15 AM | 0:08:46 | 1174 Airport RD | False alarm or false call, other |
| 3/26/2023 9:52 PM | 0:04:24 | 200 Fred Kane DR | EMS call, excluding vehicle accident with injury |
| 3/30/2023 1:16 PM | 0:04:17 | 200 Fred Kane DR | EMS call, excluding vehicle accident with injury |
| 3/30/2023 3:27 PM | 0:00:03 | 300 Sky Park DR | Assist invalid |

TO: Michael La Pier, Executive Director
FROM: Operations Department
DATE: April 4, 2023
SUBJ: Operations Report

The following is a summary of activity of general Airport Operations for March 2023 and planned airline activities for April 2023.

1. The following reports are attached:

- March 2023 Noise Comment Report
- Operating and Expense Reports for the Taxi (through March 2023) and TNC ground transportation systems (through February 2023)
- Commercial Flight Cancellations & Delays Report for March 2023
- Commercial Flight Schedule for April 2023

2. Below is the summary of scheduled airline activity for April 2023:

Alaska Air operated by SkyWest / Horizon

- SAN operates 5 days a week using the EMB 175.
- SEA operates 5 days a week using the EMB 175.
- Scheduled to operate a monthly total of 88 flights (Arrivals and Departures)

Allegiant Air

- Continues to operate twice weekly to LAS using the Airbus 319/320 series.
- Scheduled to operate a total of 16 flights (Arrivals and Departures)

United operated by SkyWest

- SFO operates daily using the CRJ 200.
- LAX operates twice daily using the CRJ 200 / 700.
- DEN operates daily using the CRJ 200.
- Scheduled to operate a monthly total of 240 flights (Arrivals and Departures)

American operated by AA / Envoy

- PHX is scheduled to operate three flights a day using the CRJ 900.
- DFW operates twice daily using the A319.
- Scheduled to operate a monthly total of 300 flights (Arrivals and Departures)

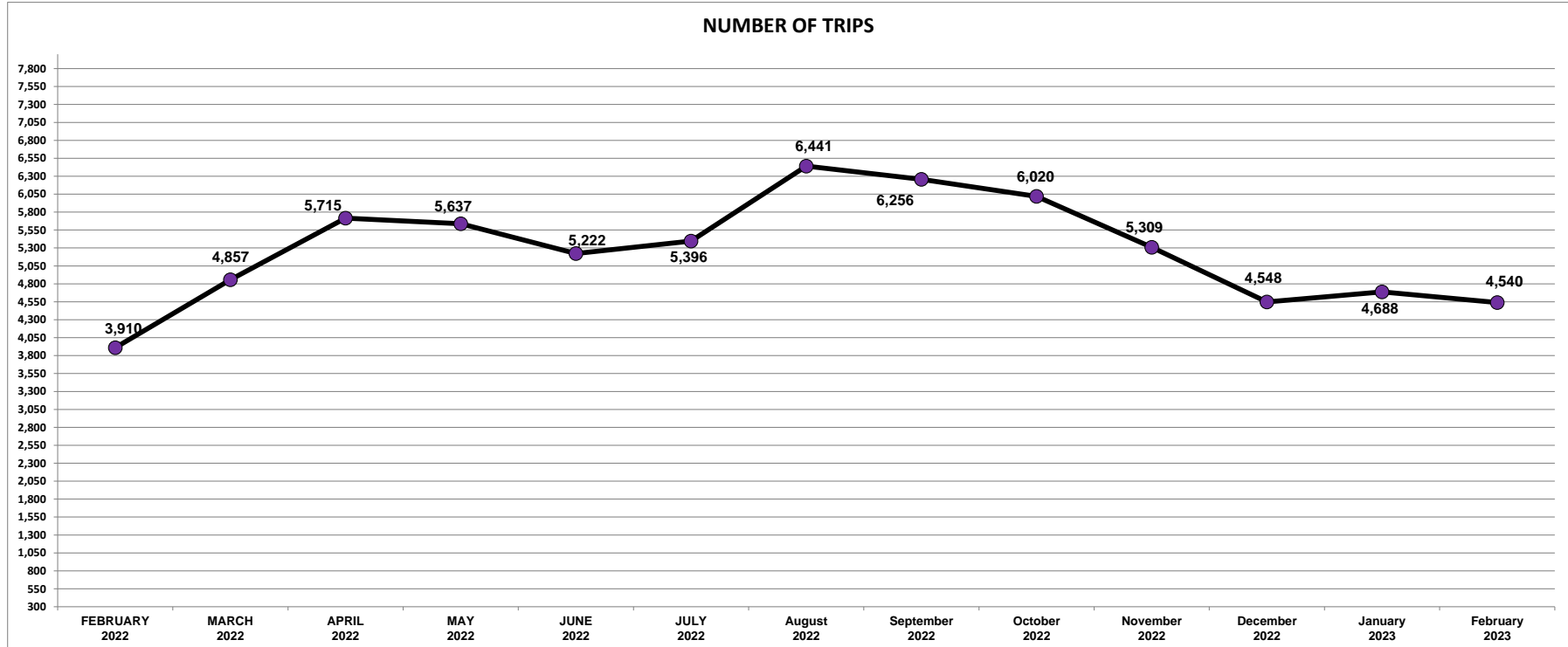
Cumulatively speaking, the airlines have increased flights by 16 (644 vs 628) compared to April 2022, an increase of 2%. The number of available seats has increased by approximately 0.3% (51,124 vs 50,956).

MRY AIRPORT NOISE COMMENT LOG MARCH 2023

| Name | Location (Address) | Incident Date | Incident Time | Aircraft ID | </> of Flight | Comments | By | Action Taken | Notes / Weather | | |
|--|---------------------|---------------|--|-------------|---------------|----------|----|---|-----------------|---|--|
| AIR OPERATIONS CENTERED AT MONTEREY AIRPORT | | | | | | | | | | | |
| 1 | Steve Souza | Old Monterey | 3/23/2023 | 5:38 AM | Unknown | 28L Dep | | Yet another loud jet taking off over the neighborhoods downtown, Monterey. Your aircraft are making too much noise far too frequently and negatively impacting the community's peace. Please stop letting jets fly so early in the morning. Thank you, Steve | BR | Responded that weather and ATCT dictate the traffic pattern and that overflight was unavoidable | |
| 2 | Kathleen Grzanowski | Pasadera | 3/11/23, 3/24/23, 3/27/23, 3/31/23 | Various | Unknown | 28L Arr | | Plane looked like a 737 with 2 engines. Stripes on tail like a commercial (so maybe Alaska?) Party cloudy but mostly clear day. Came right over the top of our home and very low. Shook the windows. Could have easily used the Laguna golf course or Highway 68. | BR | Responded that weather and ATCT dictate the traffic pattern and that overflight was unavoidable | Complaint received 03 April for March flights. Could not confirm aircraft in question due to late notification |
| AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT | | | | | | | | | | | |
| | | | | | | | | | | | |
| AIR OPERATIONS OF UNKNOWN ORIGIN | | | | | | | | | | | |
| MONTHLY TOTALS and COMPARISONS | | | | | | | | | | | |

| | | | | | |
|-----------------------|---------------|---------------|----------|----------------------|------------------------|
| | Mar-23 | Mar-22 | % Change | Other Airport | UNKNOWN ORIGINS |
| Number of Complaints: | 2 | 9 | -78% | | |
| Number of Operations: | 3,986 | 4,762 | -16% | | |
| Annual Total | 17 | 17 | 0% | 0 | 0 |

Transportation Network Companies (TNCs)

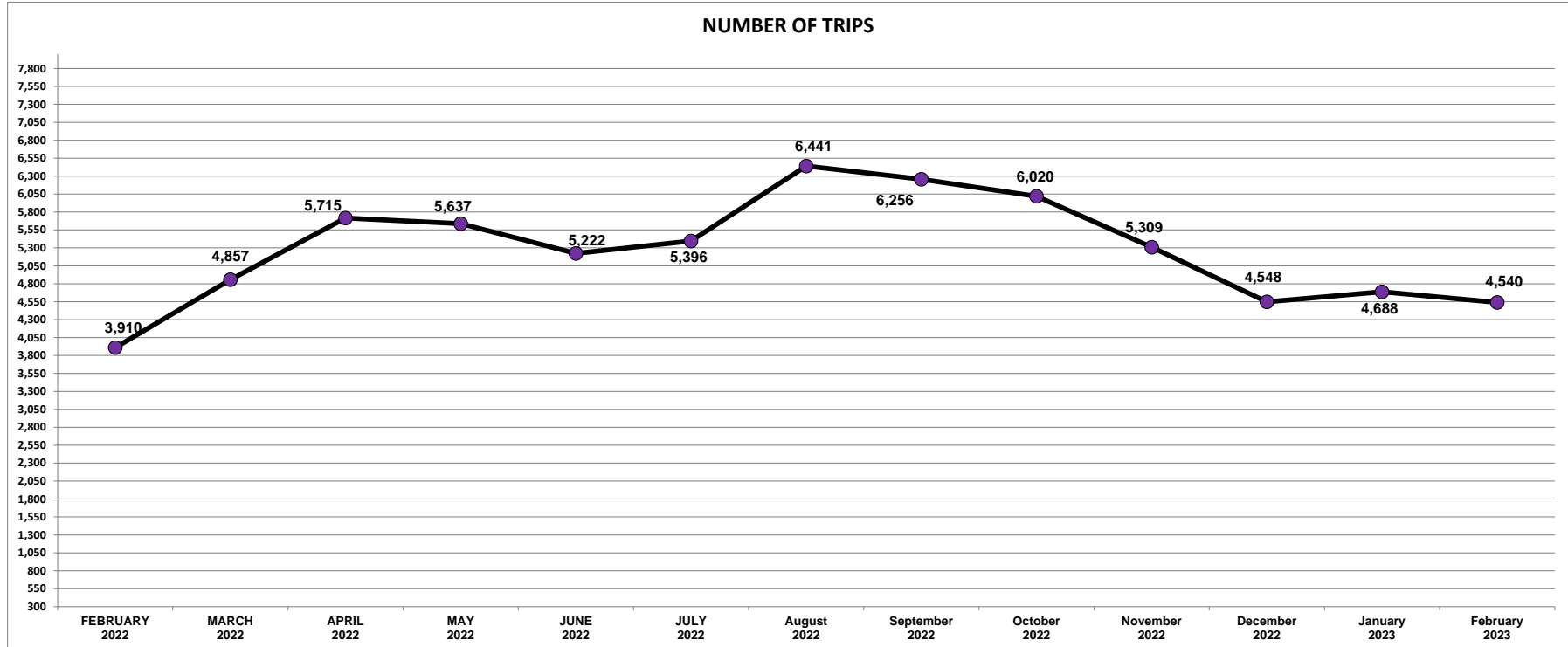


| | 2022 FEBRUARY | 2022 MARCH | 2022 APRIL | 2022 MAY | 2022 JUNE | 2022 JULY | 2022 August | 2022 September | 2022 October | 2022 November | 2022 December | 2023 January | 2023 February |
|-----------------------|------------------|---------------|---------------|-------------|--------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|
| NUMBER OF TRIPS | 3,910 | 4,857 | 5,715 | 5,637 | 5,222 | 5,396 | 6,441 | 6,256 | 6,020 | 5,309 | 4,548 | 4,688 | 4,540 |
| NUMBER OF TNCs | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| TNC TRIP FEES | \$ 11,730 | \$ 14,571 | \$ 17,145 | \$ 16,911 | \$ 15,666 | \$ 16,188 | \$ 19,323 | \$ 18,768 | \$ 18,060 | \$ 15,927 | \$ 13,644 | \$ 14,064 | \$ 13,620 |
| TNC PAYMENT PENALTIES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TNC - TOTAL REVENUE | \$ 11,730 | \$ 14,571 | \$ 17,145 | \$ 16,911 | \$ 15,666 | \$ 16,188 | \$ 19,323 | \$ 18,768 | \$ 18,060 | \$ 15,927 | \$ 13,644 | \$ 14,064 | \$ 13,620 |

Cumulative 12-Month Operating Income: \$ 193,887

Fiscal Year To Date (July 2022 - June 2023) Operating Income: \$ 129,594

Transportation Network Companies (TNCs)



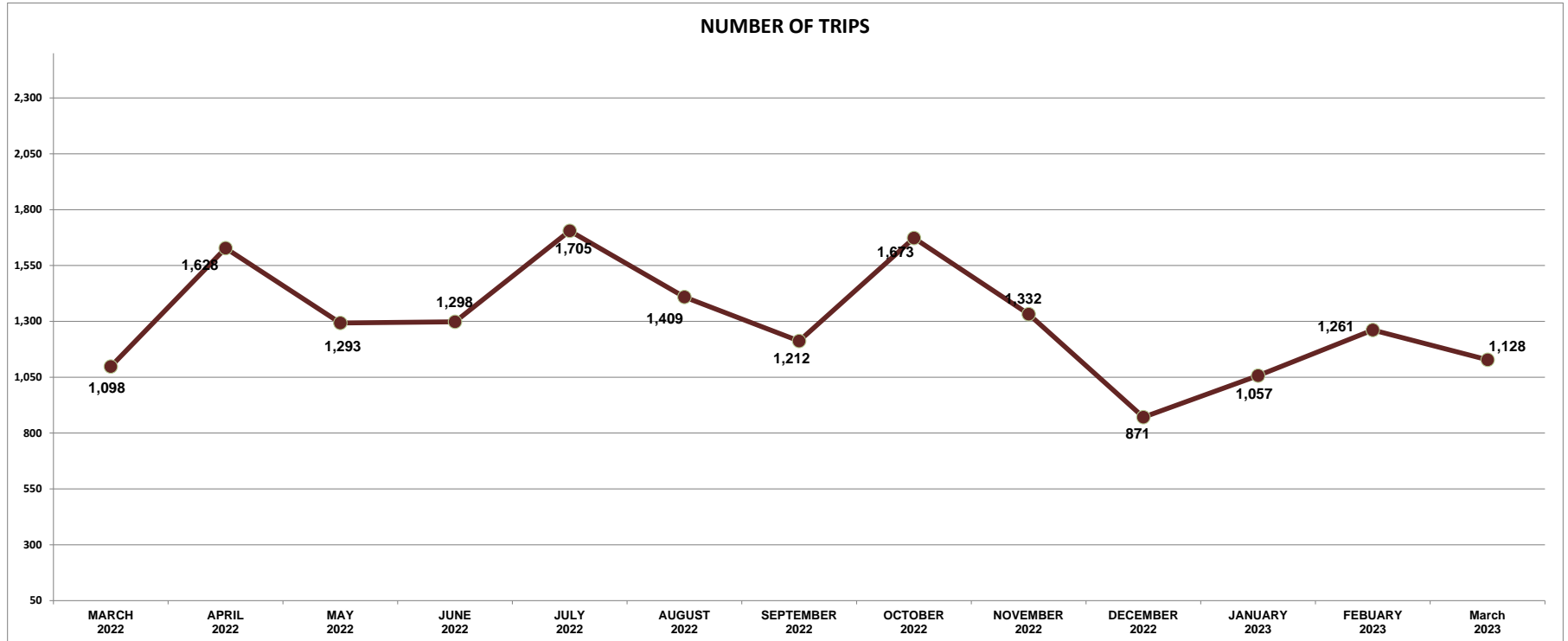
| | 2022 FEBRUARY | 2022 MARCH | 2022 APRIL | 2022 MAY | 2022 JUNE | 2022 JULY | 2022 August | 2022 September | 2022 October | 2022 November | 2022 December | 2023 January | 2023 February |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| NUMBER OF TRIPS | 3,910 | 4,857 | 5,715 | 5,637 | 5,222 | 5,396 | 6,441 | 6,256 | 6,020 | 5,309 | 4,548 | 4,688 | 4,540 |
| NUMBER OF TNCs | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| TNC TRIP FEES | \$ 11,730 | \$ 14,571 | \$ 17,145 | \$ 16,911 | \$ 15,666 | \$ 16,188 | \$ 19,323 | \$ 18,768 | \$ 18,060 | \$ 15,927 | \$ 13,644 | \$ 14,064 | \$ 13,620 |
| TNC PAYMENT PENALTIES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TNC - TOTAL REVENUE | <u>\$ 11,730</u> | <u>\$ 14,571</u> | <u>\$ 17,145</u> | <u>\$ 16,911</u> | <u>\$ 15,666</u> | <u>\$ 16,188</u> | <u>\$ 19,323</u> | <u>\$ 18,768</u> | <u>\$ 18,060</u> | <u>\$ 15,927</u> | <u>\$ 13,644</u> | <u>\$ 14,064</u> | <u>\$ 13,620</u> |

Cumulative 12-Month Operating Income: \$ 193,887

Fiscal Year To Date (July 2022 - June 2023) Operating Income: \$ 113,406

13-MONTH ROLLING COMPARISON

Taxis

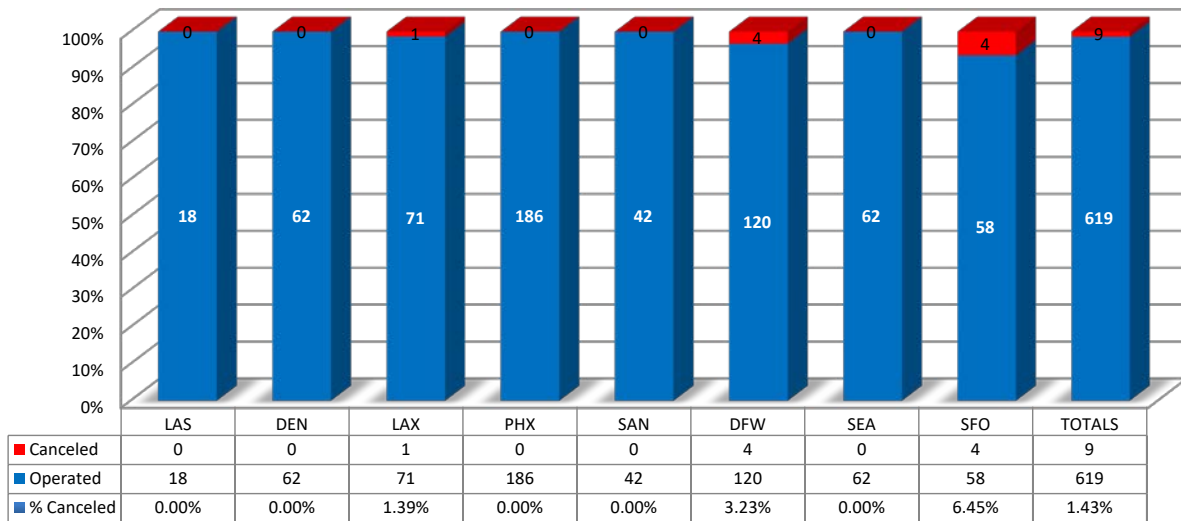


| | 2022 MARCH | 2022 APRIL | 2022 MAY | 2022 JUNE | 2022 JULY | 2022 AUGUST | 2022 SEPTEMBER | 2022 OCTOBER | 2022 NOVEMBER | 2022 DECEMBER | 2023 JANUARY | 2023 FEBRUARY | 2023 March |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| NUMBER OF TRIPS | 1,098 | 1,628 | 1,293 | 1,298 | 1,705 | 1,409 | 1,212 | 1,673 | 1,332 | 871 | 1,057 | 1,261 | 1,128 |
| PERMITS SOLD | 0 | 0 | 1 | 17 | 7 | 3 | 1 | 0 | 0 | 0 | 1 | 1 | 1 |
| TAXI TRIP FEES | \$ 3,294 | \$ 4,884 | \$ 3,879 | \$ 3,894 | \$ 5,115 | \$ 4,227 | \$ 3,636 | \$ 5,019 | \$ 3,996 | \$ 2,613 | \$ 3,171 | \$ 3,783 | \$ 3,384 |
| TAXI PERMIT FEES | \$ 0 | \$ 0 | \$ 50 | \$ 850 | \$ 350 | \$ 75 | \$ 25 | \$ 0 | \$ 0 | \$ 100 | \$ 100 | \$ 100 | \$ 100 |
| TAXI - TOTAL REVENUE | <u>\$ 3,294</u> | <u>\$ 4,884</u> | <u>\$ 3,929</u> | <u>\$ 4,744</u> | <u>\$ 5,465</u> | <u>\$ 4,302</u> | <u>\$ 3,661</u> | <u>\$ 5,019</u> | <u>\$ 3,996</u> | <u>\$ 2,713</u> | <u>\$ 3,271</u> | <u>\$ 3,883</u> | <u>\$ 3,484</u> |
| CURB MGMT CONTRACT | | | | | | | | | | | | | |
| SOFTWARE LICENSE/HOSTING | | | | | | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| BEACON LICENSING | \$ 2,083 | \$ 2,083 | \$ 2,083 | \$ 2,083 | \$ 2,083 | \$ 2,083 | \$ 2,083 | \$ 2,916 | \$ 2,916 | \$ 2,916 | \$ 2,916 | \$ 2,916 | \$ 2,916 |
| TAXI - TOTAL EXPENSE | <u>\$ 2,083</u> | <u>\$ 2,083</u> | <u>\$ 2,083</u> | <u>\$ 2,083</u> | <u>\$ 2,083</u> | <u>\$ 2,083</u> | <u>\$ 2,083</u> | <u>\$ 2,083</u> | <u>\$ 2,916</u> | <u>\$ 2,916</u> | <u>\$ 2,916</u> | <u>\$ 2,916</u> | <u>\$ 2,916</u> |
| OPERATING INCOME / (LOSS) | \$ 1,211 | \$ 2,801 | \$ 1,846 | \$ 2,661 | \$ 3,382 | \$ 2,219 | \$ 1,578 | \$ 2,103 | \$ 1,080 | \$ (203) | \$ 355 | \$ 967 | \$ 568 |
| FYTD 2023 (July 2022 - June 2023) OPERATING INCOME / (LOSS) | | | | | | | | | | | | | \$ 12,049 |
| CUMULATIVE (12-MONTH) OPERATING INCOME / (LOSS) | | | | | | | | | | | | | \$ 19,357 |

* September 1st swap to "OBD" system

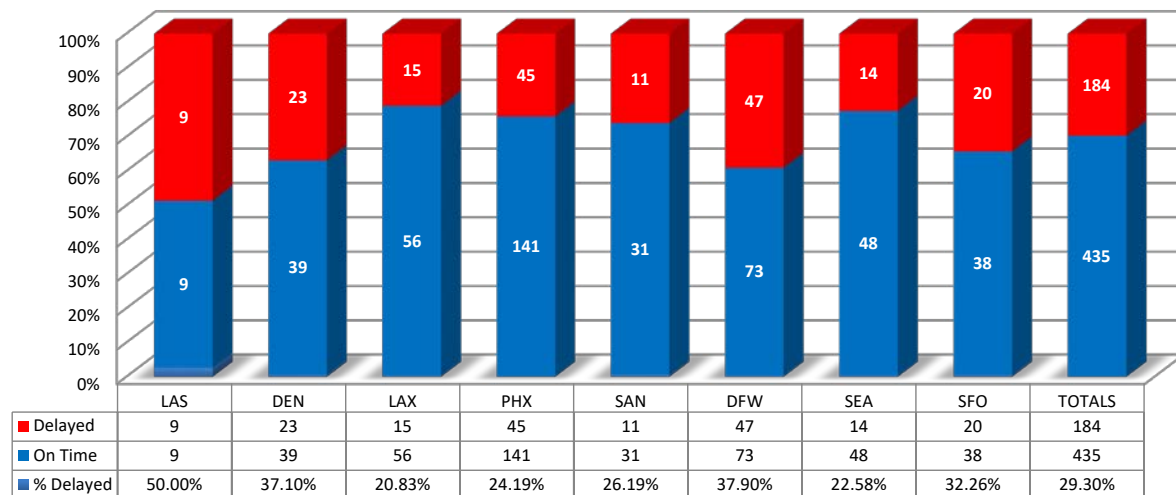
MARCH 2022

March Commercial Flights Operated vs. Canceled



TOTAL CANCELED FLIGHTS: 9

March Commercial Flights On Time vs. Delayed



TOTAL DELAYED FLIGHTS: 184



Monterey Regional Airport

April 2023 Flight Schedule



| | | ARRIVALS | | | | | DEPARTURES | | | | | | |
|-----------------------|------|----------|--------|--------------------|------------------------------------|-----|------------|--------|----------|------------------------------------|-----------------------|--|--|
| Aircraft Type (Seats) | FROM | AIRLINE | FLIGHT | TIME | SCHD | TO | AIRLINE | FLIGHT | TIME | SCHD | Aircraft Type (Seats) | | |
| CRJ700 (66) | LAX | | 5310 | 9:45 AM | DAILY | PHX | | 5012 | 5:30 AM | DAILY | EMB175 (76) | | |
| EMB175 (76) | PHX | | 4907 | 12:00 PM | DAILY | DFW | | 2181 | 6:15 AM | DAILY | A319 (128)) | | |
| CRJ200 (50) | SFO | | 5479 | 12:15 PM | DAILY | LAX | | 5658 | 10:30 AM | DAILY | CRJ700 (66) | | |
| EMB175 (76) | SEA | | 2046 | 1:00 PM | 20-30 EX TUE, WED | PHX | | 4907 | 12:30 PM | DAILY | EMB175 (76) | | |
| A319 (128)) | DFW | | 2879 | 1:05 PM | DAILY | DEN | | 5241 | 1:00 PM | DAILY | CRJ200 (50) | | |
| CRJ200 (50) | DEN | | 5438 | 1:50 PM | DAILY | SEA | | 2047 | 1:30PM | 20-30 EX TUE, WED | EMB175 (76) | | |
| CRJ700 (66) | PHX | | 3097 | 3:50 PM | DAILY | DFW | | 2118 | 2:00 PM | DAILY | A319 (128)) | | |
| CRJ700 (66) | LAX | | 5280 | 2:30 PM 3:50 PM | 13-30 1-12 | SFO | | 4729 | 2:30 PM | DAILY | CRJ200 (50) | | |
| EMB175 (76) | SAN | | 2045 | 2:15 PM | 1-17 EX TU-WE | SAN | | 3489 | 2:55 PM | 1-17 EX TU-WE | EMB175 (76) | | |
| A319 (156) | LAS | | 141 | 9:30 PM | 3, 7, 10, 14, 17, 21, 24, 28 | SAN | | 3489 | 4:20 PM | 20-30 EX TU-WE | EMB175 (76) | | |
| EMB175 (76) | SAN | | 2045 | 3:40 PM | 20-30 EX TU-WE | PHX | | 3097 | 4:25 PM | DAILY | CRJ700 (66) | | |
| EMB175 (76) | SEA | | 2046 | 6:30 PM | 1-17 EX TU-WE | LAX | | 5410 | 4:35 PM | 26-31 | CRJ700 (66) | | |
| A319 (128)) | DFW | | 2174 | 9:00 PM | DAILY | SEA | | 3471 | 7:05PM | 1-17 EX TU-WE | EMB175 (76) | | |
| EMB175 (76) | PHX | | 5009 | 10:30 PM | DAILY | LAS | | 37 | 10:30 PM | 3, 7, 10, 14, 17, 21, 24, 28 | A319 (156) | | |

*Flight Schedule is general information and subject to change. Schedules are updated monthly and can change daily. Please contact your airline for further information.

TO: Michael La Pier, Executive Director
FROM: Chris Morello, Deputy Executive Director
DATE: April 1, 2023
SUBJ: Planning, Environmental and Maintenance Monthly Project Report

Attached is the current monthly Project Report for the Planning and Maintenance Departments with the following highlights for March 2023:

➤ **ARFF Construction**

- Building concrete floor was poured during the first week of March.
- The steel for the building frame arrived at the end of March 2023.
- Steel erection is scheduled to begin on April 5th and is weather (light to no wind needed) dependent.

➤ **Building License Update**

- Calendar year 2022 had 75 Business Licenses processed.
- As of March 31, we have received 62 applications for 2023.

➤ **Commercial Ramp Design**

- Construction solicitation was posted on February 7, 2023 with a Request for Proposal due date of April 4, 2023.
- A mandatory pre-bid meeting was held on February 28, 2023 with four contractors in attendance.

➤ **Well Water Distribution System**

- A presentation from Kimley-Horn presenting the draft water distribution route will be provided at the April 27, 2023 board meeting.

➤ **Terminal Building Painting**

- The painting will be completed the first week of April 2023.

➤ **Camera Installation and Gate Upgrades**

- Both approved projects are scheduled to begin the first week of April 2023.

➤ **West Hold Room Upgrades**

- The furniture will be ordered in mid-April and has an approximate 12-week delivery delay.

| FUNDING | | | | EXPENDITURES | | | | STATUS | | | |
|--|----------|-----|----------------------|-----------------------------|------------------------------|-------------|---------------------|--------------|---|---|--|
| PROJECT # | AIP # | PFC | Total Project Budget | Spent in Prior Fiscal Years | FY 2023 Expenditures to Date | 3/31/2023 | % Physical Complete | Project Name | Current Status | 4 Week Look Ahead | |
| ACTIVE FEDERALLY-FUNDED PROJECTS: | | | | | | | | | | | |
| 1 | 2020-12 | 73 | 18-22-C-00-MRY | \$11,000,000 | \$8,435,652 | \$459,165 | \$8,894,818 | 99% | NORTHSIDE GA APRON CONSTRUCTION | Grant was executed on 12/18/2020. Construction contract was awarded to Teichert at the 12/18/20 BOD meeting. Construction began on March 29, 2021. | Final engineering reports have been submitted to FAA with the primary project complete; mitigation will remain open until April 2023. |
| 2 | 2020-13 | 72 | 18-22-C-00-MRY | \$1,946,065 | \$1,881,783 | \$135,148 | \$2,016,931 | 100% | NORTHEAST VSR IMPROVEMENTS | Grant was executed on 9/10/2020. Construction contract was awarded to Teichert at the 12/18/20 BOD meeting. Construction began on March 29, 2021. | Final reports have been submitted to FAA for grant closeout. |
| 3 | 2021-04 | 76 | 18-22-C-00-MRY | \$3,350,000 | \$2,207,111 | \$891,663 | \$3,098,774 | 99% | SEP Phase B1 Commercial Apron Design | An FAA Grant Offer for Design was executed on August 2, 2021. | C&S Engineering completed design and FAA gave approval to begin solicitation. The Notice to Bidders was published on February 7, 2023 and Request for Proposals are due on April 4, 2023. |
| 4 | 2022-01 | 79 | 18-22-C-00-MRY | \$6,603,000 | \$258,771 | \$2,312,845 | \$2,571,616 | 25% | SEP Phase C1/C2/C3 ARFF Design/Construction Demo/Airfield Access | Mill Construction and Mar Jang Architects have completed the footprint design based on AIP eligibility and the site positioning. The AIP grant was executed on September 22, 2022. The contract for construction was approved at the September BOD meeting. | Construction began in late November and the underground utilities and site preparation are complete. The concrete pad for the building was poured the first week of March 2023. The steel frame was delivered the last week of March 2023. Steel erection will begin on April 6, 2023. |
| 5 | 2023-01 | TBD | 18-22-C-00-MRY | \$3,775,000 | \$0 | \$4,900 | \$4,900 | 0% | SEP Phase D1 Terminal Design | The initial interview panel selected two architectural firms for Board interviews on 10/21/22: HOK was the first-ranked team. The draft HOK Scope of Work was discussed at an online meeting with FAA in February 2023. | The contract for Terminal Design will be brought to the Board for consideration at the April 5, 2023 meeting. |
| 6 | 2023-02 | TBD | 18-22-C-00-MRY | \$2,170,000 | \$0 | \$0 | \$0 | 0% | RUNWAY 28L-10R TREATMENT | | No work has started at this time. |
| 7 | 2023-034 | TBD | 18-22-C-00-MRY | \$40,000,000 | \$0 | \$0 | \$0 | 0% | SEP Phase B2 Commercial Apron Construction | | The Project is out to bid and Request for Proposals are due on April 4, 2023. |

| FUNDING | | | | EXPENDITURES | | | | STATUS | | | |
|---|---------|-----|----------------------|-----------------------------|------------------------------|-------------|---------------------|--------------|--|---|---|
| PROJECT # | AIP # | PFC | Total Project Budget | Spent in Prior Fiscal Years | FY 2023 Expenditures to Date | 3/31/2023 | % Physical Complete | Project Name | Current Status | 4 Week Look Ahead | |
| <u>OUTSIDE FUNDED PROJECTS:</u> | | | | | | | | | | | |
| 8 | 2019-03 | N/A | N/A | \$2,828,058 | \$520,242 | \$255,343 | \$775,585 | 45% | WATER DISTRIBUTION SYSTEM | Capacity testing was completed at both locations, 2999 Monterey Salinas Highway and 2801. The contract amendment with Kimley Horn to design the distribution system was approved at the December BOD meeting. | KHA are completing the water distribution route and project design specifications. A presentation will be provided at the April 27, 2023 board meeting. |
| 9 | 2023-08 | N/A | N/A | \$7,100,000 | | \$4,401,776 | \$4,401,776 | 0% | SOUTHEAST HANGAR RELOCATION | A purchase agreement with Monterey Fuel Company was approved at the January meeting. | Staff have been reviewing the design submittals. A construction permit for grading was provided to Avila Construction in March 2023. |
| <u>PFC FUNDED PROJECTS</u> | | | | | | | | | | | |
| 10 | 2020-04 | N/A | 20-24-C-00-MRY | \$200,000 | \$0 | \$6,279 | \$6,279 | 5% | CCTV TERMINAL AND PERIMETER SECURITY UPGRADES | After approval at the December BOD meeting, staff have begun to work with Bandit Systems to develop a schedule for construction/installation. | The first phase began at the end of March and will continue through the month of April 2023. |
| <u>DISTRICT ONLY FUNDED PROJECTS</u> | | | | | | | | | | | |
| 11 | 2020-14 | N/A | N/A | \$350,000 | \$203,879 | \$0 | \$203,879 | 0% | NORTHWEST BUILDING ABATEMENT | Abatement work was completed in June, 2021. | Staff are evaluating building 1105 Airport Way. |
| 12 | 2022-02 | N/A | N/A | \$83,000 | \$27,859 | \$53,357 | \$81,216 | 100% | VEHICLE REPLACEMENT | The new maintenance truck was finally ready for pickup on September 13, 2022 and has been added to the vehicle fleet. | Project closed. |
| 13 | 2023-04 | N/A | N/A | \$350,000 | | \$23,490 | \$23,490 | 0% | 2801 PROPERTY REPAIRS | 2801 Building A needed significant elevator updates to meet State requirements that were completed in September. | Staff are working with our consulting engineers to design the parking lot pavement improvements. |

| FUNDING | | | | EXPENDITURES | | | | STATUS | | | |
|---------|-----------|-------|-----|----------------------|-----------------------------|------------------------------|-----------|---------------------|---|---|--|
| | PROJECT # | AIP # | PFC | Total Project Budget | Spent in Prior Fiscal Years | FY 2023 Expenditures to Date | 3/31/2023 | % Physical Complete | Project Name | Current Status | 4 Week Look Ahead |
| 14 | 2023-05 | N/A | N/A | \$250,000 | | \$0 | \$0 | 0% | FRED KANE-SKYPARK PAVEMENT IMPROVEMENTS | | Staff are working with our consulting engineers to design the pavement improvements. |
| 15 | 2023-06 | N/A | N/A | \$100,000 | | \$15,833 | \$15,833 | 5% | AIRFIELD VEHICLE GATE IMPROVEMENTS | A contract was approved at the February 2023 Board meeting with R&S Erection Company. R&S have ordered the materials for the improvements. There is a three to five week lead time for the materials. | It is anticipated the improvements will begin in April 2023. |
| 16 | 2023-07 | N/A | N/A | \$325,000 | | \$142,855 | \$142,855 | 95% | TERMINAL BUILDING OUTSIDE PAINTING and WEST HOLD ROOM UPGRADES | A contract was approved at the January 2023 meeting with RC Elite Painting Company. | The work began in February 2023 and will be completed during the first week of April 2023. |



POLICE

DEL REY OAKS

MONTHLY POLICE ACTIVITY REPORT

MARCH 2023

TO: Michael La Pier, Executive Director
FROM: Sergeant Roger Guzman
DATE: APRIL 2, 2023
SUBJECT: Police Activity Report for MARCH 2023

The following is a summary of significant activity in the Police Department in March, 2023:

Highlights

Del Rey Oaks Police Officers responded to approx 6 **door and gate alarms** in March.

Training

Officer Dowson provided updated training regarding MRY OPS. Sgt Guzman and Officer Dowson, and Mark Curtis meet weekly regarding MRY/DROPD operations.

Calls for Service

1. 03/09/23 9:12 PM
MRY: Terminal
Det Moore responded to Fire Alarm in terminal. FD and PD cleared terminal.
2. 3/10/2023 9:55 PM Det Moore
MRY/Baggage area: Equipment malfunction
Det Moore responded to baggage area and was able to reset belt.
3. 03/26/23 9:52 PM Det Moore
MRY/Gate 2: Medical
Det Moore responded to medical emergency for female who fell while walking down stairs off flight. Passenger self-transported.
4. 3/31/23 2:30 AM Det Moore
MRY/ Terminal: Medical
Det Moore responded to airport to assist AMR with gate access for medical helicopter.

END OF REPORT.