January 12, 2017

Delux Public Charter LLC
o/o JetsuiteX
18952 MacArthur Blvd
Suite 200
Irvine, CA 92612
Attn: Alexander Wilcox

Re: Application for Commercial Operations Permit at Santa Monica Airport

Dear Mr. Wilcox,

On December 16, 2016 the City received an Application for Commercial Operations Permit ("COP") submitted on behalf of applicant Delux Public Charter LLC. The applicant, who identifies its business name as JetSuiteX, seeks to use the Santa Monica Airport as a base for its proposed commercial activity and is therefore required to apply for a permit under S.M.M.C § 10.04.06.020. That code section defines a commercial activity for which a permit is required as including "the carrying for hire of passengers."

JetSuiteX proposes to provide a service involving the carrying for hire of passengers at the Airport. Paragraph 4 of the Application lists "Air Charter Service as approved by Title 14 CFR Part 135" as the permitted use and service to be provided by JetSuiteX. Paragraph 2 describes the proposed commercial activity as "an On-Demand Public Charter company flying Embraer 135LR."

Based on our review of the submitted Application, including its statements regarding the nature of the proposed commercial activity, we have determined that the Application is incomplete as a matter of law because it does not provide all of the required information necessary for the City to take action on the application. Santa Monica Municipal Code section 10.04.06.030(d) states:

"Applications for air carrier service shall identify and assess the effects of the service on community aircraft noise exposure, automobile traffic, and other significant environmental impacts and propose appropriate mitigation measures. Environmental assessment shall be in accordance with State and City laws and procedures. As used in this Section, "air carrier" service includes commuter service, air charter and air taxi operations, freight, cargo, express, and mail service, and other commercial flight operations certificated by the Federal Aviation Administration."

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The proposed commercial activity, as identified by JetSuiteX in its application, qualifies as an "air carrier service" as defined by the Municipal Code. As such JetSuiteX is required to submit as part of its COP application an environmental analysis that:

- Assesses the effects of the proposed service on community aircraft noise exposure.
- Assesses the effects of the proposed service on automobile traffic.
- Analyzes other significant environmental impacts.
- Proposes appropriate mitigation measures.

JetSuiteX has provided none of this.

JetSuiteX should use the California Environmental Quality Act ("CEQA") as its guide in analyzing the environmental impacts that its proposed commercial activity may create. In addition to noise and traffic impacts identified in Code section 10.04.06.030(d), among other requirements, please identify airport and aircraft security procedures that will be implemented to avoid safety hazards as provided in Appendix G to the CEQA Guidelines.

Further, JetSuiteX and/or Delux should provide the following:

- JetSuiteX's "Charter Prospectus" as required by FAA Part 380, along with Delux's FAA Part 135 Certificate.
- Information regarding pilots and training, especially with respect to operations at SMO.
- Information regarding what procedures and practices are being taken to mitigate safety risks in light of minimal runway safety areas at SMO.
- Information about Delux's operational planning, especially for adverse weather conditions, including wet runway conditions at SMO.
- Information regarding what alternate airports can be used in the County of Los Angeles for this service.
- Information regarding Embraer 135's operating specifications as configured for use by JetSuiteX and Delux at SMO.

Until such time as this required information is submitted, the Application is incomplete and cannot be considered for action by the City Manager as provided in Municipal Code section 10.04.06.033(f) and (g).

Finally, the City received the recent letter of January 6, 2017 from Mr. Alex Wilcox on behalf of Delux Public Charter while preparing this response to your COP application. With respect to that letter, the scheduled air carrier services proposed by JetSuiteX and Delux —clearly a "commercial activity" under the City's Municipal Code—cannot be performed at the Santa Monica Airport "on a transient basis" without a valid COP.
Please feel free to contact me directly with any additional questions or concerns that you may have.

Sincerely,

[Signature]

Stelios Makrides
Airport Director