

**LONG-TERM GROUND LEASE AGREEMENT FOR HANGAR CONSTRUCTION
AND AIRCRAFT STORAGE
LOMPOC AIRPORT**

This Lease Agreement (this "Lease Agreement") is made by and between the City of Lompoc, a California municipal corporation ("City") and Rene L. Minjares, dba Barnstormers Aero Services ("Lessee").

RECITALS

WHEREAS, City owns and operates an airport within the jurisdictional boundaries of City, commonly known as the Lompoc Airport (the "Airport"); and

WHEREAS, Lessee desires to lease a portion of the Airport for the purpose of building and maintaining an aircraft storage hangar; and

WHEREAS, Lessee has read and understands the rules and regulations that apply to the Airport;

NOW, THEREFORE, incorporating the foregoing Recitals herein, it is mutually agreed as follows:

1. Premises. City hereby leases to Lessee, and Lessee hereby hires from City, upon the terms and conditions herein set forth, those certain premises located at the Airport ("the Premises"), comprising four thousand nine hundred (4,900) square feet, and more particularly identified on Exhibit A, attached hereto and made a part hereof by this reference. Lessee shall, prior to December 31, 2013, provide an original map and legal description (to be identified as Exhibit B), of the Premises, tied to City's coordinate control system, Record of Survey Book 172, pages 4 through 7, prepared and stamped by a licensed land surveyor. The map shall be delivered, to the City Engineering Division, in hardcopy and computer format for transfer to City's geographic information system. Acceptable forms are: DGN, DWG and DXF. At the time Lessee takes possession of the Premises, which will be on the commencement date of this Lease Agreement, as established by Paragraph 2, below, they will be unimproved. All oil, gas and mineral rights are expressly reserved from this Lease Agreement.

2. Term. The term of this Lease Agreement shall be for the period from the 1st day of October 2013, through the 30th day of September 2053, unless extended, through the options described herein, or sooner terminated as provided in this Lease Agreement.

Lessee shall have the option to extend this Lease Agreement for two five-year periods at the then average prevailing lease rate for hangars City is charging at the beginning of each of the optional five-year terms. However, unless that option is timely

declared, in writing and provided by Lessee to City on or before December 30, 2052, but no earlier than October 15, 2052, that option shall terminate as of that former date.

3. Use of Premises.

A. Lessee shall use the Premises solely for construction, installation, maintenance and repair of a hangar, storage of aircraft and related parts and equipment, and authorized related commercial or noncommercial activities as authorized in writing by the Aviation/Transportation Administrator. Lessee further agrees any activity, including, but not limited to, repair and maintenance of aircraft in the storage area which violates any laws, rules or regulations, including any Fire Codes, causes structural or other damage to any City-property, including on, above and below surfaces, or detracts from a clean and orderly appearance of the Airport or storage space is prohibited. Lessee agrees to limit all repairs, maintenance, installation or other activity service performed on the aircraft to the extent permitted by United States Federal Aviation Administration rules, regulations and requirements.

B. Only within the hangar, Lessee shall store and keep airworthy aircraft (those that have a current annual inspection certificate or deemed airworthy by the Aviation/Transportation Administrator) or aircraft undergoing repair or construction (as determined so by the Aviation/Transportation Administrator) (collectively, the "Aircraft") and parts and equipment directly related to the Aircraft, all of which must be owned or leased by Lessee while located on the Premises.

C. Lessee agrees to notify City in writing within ten (10) days after (i) substitution of the Aircraft, (ii) change in the ownership of the Aircraft or (iii) changes of addresses and telephone numbers of Lessee and other registered owner(s) of the Aircraft.

4. Construction of Improvements.

A. Lessee shall complete construction, at his sole cost and expense, of an aircraft storage hangar, as approved by City, on the Premises within twelve (12) months after receiving an approved building permit from City. Lessee shall provide all information required by City for the permit process in a timely manner. Utilities will be provided by the Lessee. Evidence of completion shall be the issuance of a Certificate of Occupancy from City. Prior to occupancy, Lessee shall present the Aviation/Transportation Administrator with a copy of the validly issued Certificate of Occupancy. Lessee shall be responsible for obtaining, at his sole cost and expense, all permits of any kind required by law, including payment of utility and development impact fees and retrofit fees. City shall have the right to control the type of construction, architectural style, size and color of any improvements. Prior to developing final working plans, the Lessee shall submit preliminary plans to the Engineering Division for review and comment. City shall review said plans and advise Lessee of any

deficiencies. Lessee shall then make the necessary changes, if any, required for City's approval. After those conditions have been satisfied, City shall notify Lessee in writing that he may proceed with construction. If Lessee commences construction without City's written consent, then Lessee shall be in violation of this Lease Agreement, and City, at its sole discretion, may terminate this Lease Agreement. In the event Lessee fails to complete construction within twelve (12) months after the commencement date of this Lease Agreement, as evidenced by the issuance of a Certificate of Occupancy, or fails to timely provide information required by City for the permit process, City may, at City's sole discretion, terminate this Lease Agreement and Lessee shall forfeit all rights and interest to the Premises and all improvements, thereon.

B. Surety for Performance and Payment: Before any major work of construction, alteration or repair is commenced on the Premises, Lessee shall furnish City adequate surety for performance and payment in a form acceptable to the City Finance Director, in an amount not less than the cost of the improvements to be constructed, and which will remain in effect until the entire cost of the work has been paid in full and the new improvements have been insured as provided in this Lease Agreement. The surety will state the following:

- (1) It is conditioned to secure the completion of the proposed construction free from all liens and claims of contractors, subcontractors, mechanics, laborers and materialmen following the commencement of construction;
- (2) The construction work shall be completed by Lessee, the general contractor, or, on their default, the surety;
- (3) In default of such completion and payment, such part of the amount of the surety as shall be required to complete the work shall be paid to City as liquidated and agreed damages for the non-performance of Lessee's agreements, it being agreed the exact amount of City's damages is difficult and impractical to ascertain; and
- (4) The surety will defend, hold harmless and indemnify City against all loss, cost, damage, expense and liability arising out of or connected with the work of improvement.

C. City may, but shall not unreasonably, disapprove the surety. The surety shall be deemed approved unless notice of disapproval is given within 30 business days after receipt of the proposed surety. City shall record a Notice on Non-Responsibility prior to commencement of any of the work and Lessee shall pay City all costs associated with the preparation and recordation of the Notice of Non-Responsibility.

5. Unobstructed Access. City shall ensure a taxiway exists directly in front of Lessee's hangar doorway. Said taxiway shall allow unobstructed access to the north side parallel taxiway. If the taxiway ceases to permanently exist as a result of the direct action of the City, then City agrees to purchase the subject hangar. Such purchase shall be for an amount based on an independent appraisal (appraiser to be agreed upon by both parties, cost of appraisal to be shared by both parties equally), to be completed prior to any obstruction being created. City shall provide three hundred sixty-five days' (365-days') written notice to Lessee of pending loss of access. City's obligation under this paragraph is subject to receiving written notice from Lessee within one hundred twenty (120) days after the obstruction of the access or other event giving rise to City's purchase obligation hereunder. If no such notice is given by Lessee, then all terms and conditions of this Lease Agreement shall remain in full force and effect.

6. Rent. Lessee agrees to pay to City at 100 Civic Center Plaza, Lompoc, California, as rent for the use and occupancy of the Premises, the amounts as hereinafter provided during the term of this Lease Agreement. Partial months shall be prorated. Rent is due on the first day of each month while this Lease Agreement is in effect.

A. Initial Rent. Monthly rent shall be at the rate of 8 cents per square foot (\$392.00), (i) commencing on the earlier of November 1, 2013, or the date Lessee receives a final or temporary Certificate of Occupancy from City for the improvements to be constructed on the Premises and (ii) continuing on the first day of each calendar month for the immediately following six calendar months

B. Rent Adjustments. Effective July 1st of each year, excluding 2013, a new monthly rent shall be determined based upon the following adjustment:

- (1) For the purpose of this adjustment, the basic index to be used for adjusting the rent shall be the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers U.S. City Average published by the U.S. Department of Labor, Bureau of Labor Statistics for the month of or nearest April 1st of each year (the "Basic Index").
- (2) Effective each July 1st during the term of this Lease Agreement, excluding 2013, the monthly rent shall be increased by the then current Basic Index as defined in subparagraph (1).
- (3) In the event the then current Basic Index decreases to the point of reflecting a negative figure for any year, then the rental rate shall decrease equal to the decrease in the CPI for that year.

- (4) If the Basic Index is at any time no longer available, then a comparable economic indicator, as reasonably determined by City, shall be used to determine the annual rent adjustment.

7. Late Charges. Rent payments, and other costs and charges authorized hereunder, not received by City by the tenth day of the month when due are subject to a late penalty, without notice to Lessee, of one and one quarter percent (1.25%) per month.

8. Costs of Lease Agreement. Lessee shall promptly pay all costs and expenses, including utilities, which include, but are not limited to, gas, electricity, telephone, water, sewer and refuse collection services. Lessee also agrees to reimburse City for any and all expenses City incurs in modifying existing utilities for Lessee's benefit relating to possession and use of the Premises. The possessory interest created by this Lease Agreement may be subject to taxation, and Lessee may be subject to the payment of taxes levied on such interest. Lessee acknowledges his actual knowledge of the existence of a possessory interest tax and receipt of this notice of Lessee's potential tax liability. Lessee agrees he is solely responsible for the timely payment before delinquency of possessory interest taxes and any other tax, levy or assessment upon the Premises, the aircraft, Lessee's personal property, improvements, and fixtures upon the Premises. Failure to pay such taxes is a material breach of this Lease Agreement. Such breach will be considered effective 30 days after written notice, of any delinquency, to Lessee.

9. Aircraft and Improvements Lien. Lessee consents and agrees that upon delinquency of any cost to City or taxing agency, City may levy a lien against the Aircraft, improvements, fixtures, and personal property upon the Premises. Such lien shall exist and continue to secure all unpaid amounts which Lessee owes to City. Such lien shall not relieve Lessee from compliance with this Lease Agreement, including the obligation to pay rent as provided herein. If Lessee does not fully and immediately discharge all unpaid amounts, then City is hereby granted and shall have the right to take and recover possession of the Aircraft, improvements, fixtures, and to satisfy City's lien in accordance with California Code of Civil Procedure Sections 1208.61 through 1208.70 and any other applicable common laws or statutory provisions. City may also take and recover possession of personal property stored on the Premises and exercise its lien against the same without notice or other action, and in addition thereto, City shall have and recover all costs and expenses including attorneys' fees in connection with repossession and disposal of the aircraft, improvements, fixtures, and personal property and enforcement of City's lien.

10. Condition of Premises.

A. Lessee has inspected the Premises and knows the extent and condition thereof and accepts same in its present condition, subject to and including all

defects, latent or patent. Lessee will keep and maintain the Premises, improvements, and fixtures in a clean, safe, and orderly condition at all times. Lessee shall not commit or suffer to be committed any waste upon the Premises, improvements, and fixtures or commit or allow any nuisance or other act which may disturb or interfere with the Airport, its surroundings, the departure and arrival of aircraft, or other aircraft operations and uses. If Lessee shall fail to perform the obligations under this paragraph, after twenty-one-days' (21-days') written notice setting forth such failure, then City shall have the right to perform the same and to charge Lessee therefore, and Lessee shall pay the City such costs upon City's demand.

B. Lessee may park passenger vehicles on Lessee's Premises in connection with Lessee's use of the Premises or the Aircraft. Conditions may arise when it becomes necessary for City to withdraw, temporarily with prior notice, the privilege of parking motor vehicles on the assigned Premises.

Neither Lessee nor any other person shall park or keep any motor home, trailer, boat, or other recreational or commercial vehicle, vehicle for sale or inoperable vehicle on the Premises without City's advance written consent.

C. If Lessee desires to use the services of another person in connection with any aircraft work or repair other than at established repair facilities at the Airport, then City may require such persons to provide their names, addresses, evidence of adequate liability insurance, payment of any required business taxes and fees, and proof of City business license; and, lacking such information, such persons may be refused permission to conduct the work or ordered to stop work. This shall not limit the Aircraft owner or its pilot the right to work on his or her own aircraft, as permitted by the Federal Aviation Administration Regulations in areas of the Airport so designated by City.

D. Lessee shall not use, keep, store or place in or on the Premises any hazardous materials, except those which are necessary and appropriate to accomplish the purpose of this Lease Agreement. All hazardous materials shall be used, stored, handled, dispensed and disposed of as required by applicable governmental regulations and laws. Any spills of such materials by Lessee anywhere on the Airport shall be immediately reported to the Aviation/Transportation Administrator and cleaned up by Lessee, at Lessee's sole expense, in accordance with standards of the industry and applicable governmental regulations and laws.

Lessee shall indemnify, defend and hold harmless City for any claims, damages, judgments, awards, penalties or costs arising from any hazardous materials brought to the Premises or Airport for or on behalf of Lessee or any hazardous materials spilled at the Airport by Lessee or any of Lessee's employees, agents, contractors or invitees. For purposes of this Lease Agreement, "hazardous materials" shall mean asbestos; polychlorinated biphenyls (whether or not highly chlorinated); radon gas; radioactive materials; explosives; chemicals known to cause cancer or reproductive toxicity;

hazardous waste, toxic substances or related materials; petroleum and petroleum product, including, but not limited to, gasoline and diesel fuel; those substances defined as a "Hazardous Substance", as defined by section 9601 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq., or as "Hazardous Waste" as defined by section 6903 of the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.; an "Extremely Hazardous Waste," a "Hazardous Waste" or a "Restricted Hazardous Waste," as defined by The Hazardous Waste Control Law under sections 25115, 25117 or 25122.7 of the California Health and Safety Code, or is listed or identified pursuant to section 25140 of the California Health and Safety Code; a "Hazardous Material", "Hazardous Substance," "Hazardous Waste" or "Toxic Air Contaminant" as defined by the California Hazardous Substance Account Act, laws pertaining to the underground storage of hazardous substances, hazardous materials release response plans, or the California Clean Air Act under sections 25316, 25281, 25501, 25501.1 or 39655 of the California Health and Safety Code; "Oil" or a "Hazardous Substance" listed or identified pursuant to section 311 of the Federal Water Pollution Control Act, 33 U.S.C. 1321; a "Hazardous Waste," "Extremely Hazardous Waste" or an "Acutely Hazardous Waste" listed or defined pursuant to Chapter 11 of Title 22 of the California Code of Regulations sections 66261.1 - 66261.126; chemicals listed by the State of California under Proposition 65 Safe Drinking Water and Toxic Enforcement Act of 1986 as a chemical known by the State to cause cancer or reproductive toxicity pursuant to section 25249.8 of the California Health and Safety Code; a material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, materially damages or threatens to materially damage, health, safety, or the environment, or is required by any law or public agency to be remediated, including remediation which such law or government agency requires in order for Lessee to use the Premises; any material whose presence would require remediation pursuant to the guidelines set forth in the State of California Leaking Underground Fuel Tank Field Manual, whether or not the presence of such material resulted from a leaking underground fuel tank; pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 et seq.; asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. 2601 et seq.; any radioactive material including, without limitation, any "source material," "special nuclear material," "by-product material," "low-level wastes," "high-level radioactive waste," "spent nuclear fuel" or "transuranic waste" and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. 2011 et seq., the Nuclear Waste Policy Act, 42 U.S.C. 10101 et seq., or pursuant to the California Radiation Control Law, California Health and Safety Code sections 25800 et seq.; hazardous substances regulated under the Occupational Safety and Health Act, 29 U.S.C. 651 et seq., or the California Occupational Safety and Health Act, California Labor Code sections 6300 et seq.; or regulated under the Clean Air Act, 42 U.S.C. 7401 et seq. or pursuant to The California Clean Air Act, sections 3900 et seq. of the California Health and Safety Code.

E. Lessee shall not construct or place signs, awnings, marquees, advertising, or promotional structures upon the Premises or Airport without City's advance written consent. If Lessee fails to remove any such signs, displays, advertisements or decorations within twenty-four (24) hours after written notice from City, then City may remove them at Lessee's sole expense.

F. Lessee hereby agrees Lessee will not permit or suffer any liens of any kind to be filed against the Premises as a result of any obligation, malfeasance, negligence, or omission of Lessee, and that Lessee shall diligently take all necessary and proper steps to remove and discharge any liens which are filed.

11. Alterations. Lessee shall not alter the Premises without City's prior written consent except as herein set forth. If City so consents, then alterations shall be made at the sole cost and expense of Lessee.

12. Insurance. Lessee shall not occupy the Premises or operate from or at the Airport the Aircraft or any aircraft before obtaining the insurance specified below. Insurance amounts may be adjusted annually by the City Administrator.

A. Personal Injury. During the term of this Lease Agreement and any extension thereof, Lessee shall continuously maintain an insurance policy providing for liability insurance in amount of not less than \$1,000,000 per occurrence for death and personal injury.

B. Aircraft Liability. For the Aircraft, Lessee shall maintain during the life of this Lease Agreement, at his sole expense, at least the following insurance coverage: bodily injury, including passengers, \$1,000,000 each person; \$1,000,000 property damage; and \$3,000,000 each occurrence.

C. Personal Property. Lessee understands and agrees that it is Lessee's sole responsibility to obtain insurance covering Lessee's aircraft and other personal property, which is located on the Premises.

D. Fire and Extended Coverage Insurance. Throughout the term of this Lease Agreement, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept insured, for the mutual benefit of City and Lessee, all improvements located on or appurtenant to the Premises, whether constructed at the time of signing this Lease Agreement or not, against loss or damage by fire and such other risks as are now or hereafter included in an extended coverage endorsement in common use of structures, including vandalism and malicious mischief. The amount of the insurance shall be sufficient to prevent either Lessee or City from becoming a co-insurer under the provisions of the policies, but in no event shall the amount be less than one hundred percent (100%) of the actual replacement cost, excluding the cost of replacing excavations and foundations, but without deduction for depreciation (herein called full insurable value). In the event payments are made for repairs, payments of proceeds for

repair, restoration, or reconstruction of improvements shall be made monthly on architect's certificates until the work is completed and accepted. Any insurance proceeds remaining after complying with the provisions of this Lease Agreement relating to maintenance, repair, and reconstruction of improvements shall be the Lessee's sole property.

E. Documentation. Lessee shall present to City a certificate evidencing the required coverage, naming City, and its officers, employees and agents as additional insureds. All insurance required by express provisions of this Lease Agreement shall be carried only in responsible insurance companies licensed to do business in the State of California. All such policies shall be non-assessable and shall contain language, to the extent obtainable, to the effect that (1) any loss shall be payable notwithstanding any act or negligence of City that might otherwise result in failure of the insurance, (2) insurer waives the right of subrogation against City and against City's agents and representatives, (3) the policies are primary and non-contributing with any insurance that may be carried by City, and (4) the policies cannot be canceled or materially changed except after thirty-days' (30-days') written notice by the insurer to City unless for non-payment and then only upon ten-days' (10-days') written notice to City. Lessee shall furnish City with copies of all such policies upon their receipt.

13. Release and Indemnification.

A. Lessee shall defend, indemnify and hold harmless City, its officers, employees and agents (the "Indemnified Parties") from any and all liability, claims, loss, damages, or expenses, including reasonable counsel fees and costs (the "Damages"), arising by reason of the death or injury of any person, including Lessee or a person who is an employee or an agent of Lessee, or by reason of damage to or destruction of any property, including property owned by Lessee or any person who is an employee or agent of Lessee, caused or allegedly caused by (1) any cause whatsoever while that person or property is in or on the Premises or in any way connected with the Premises or with any improvements or personal property on the Premises, (2) some condition of the Premises or some building or improvement on the Premises, (3) some act or omission on the Premises of Lessee or any person in, on or about the Premises with the permission and consent of Lessee or (4) any matter connected with Lessee's occupation or use of the Premises; provided, that the foregoing obligation to indemnify and hold harmless City or its officers, employees or agents is only to the extent Lessee any of his employees or agents has caused the Damages.

B. Notwithstanding the provisions of Paragraph 13.A. of this Lease Agreement, Lessee shall be under no duty to indemnify or hold harmless the Indemnified Parties to the extent any liability, claims or damages arise because of any of the Indemnified Parties' failure to make any repairs required by this Lease Agreement to be made by City or because of any negligence or willful acts of misconduct by any of the Indemnified Parties, acting in the course and scope of their agency or employment.

14. Right of Entry. Lessee shall permit City's authorized agents the right and privilege at all times, of entering the Premises for the purposes of inspection, determining whether the terms of this Lease Agreement are being kept and performed, and posting notices of nonresponsibility.

15. Default or Breach. If Lessee (a) fails to pay or cause to be paid any tax, assessment, insurance premium, lien, claim, charge, or demand herein provided to be paid or caused to be paid by Lessee at all times and in the manner herein provided; or (b) defaults in the payment of any installment of rent or any other sum when due and provided; or (c) fails to commence or to complete the construction, repair, restoration, or replacement of the hangar and any other improvements in and about the Premises within the times and in the manners herein provided; or (d) fails to use, maintain, and operate the Premises as herein required, or abandon the property; or (e) defaults in the performance of or breach of any other covenant, condition, or restriction of this Lease Agreement herein provided to be kept or performed by Lessee, then City shall have the right but not obligation to give written notice to remedy such default or breach. If the default or breach is remedied within thirty (30) days following the date of notice, then this Lease Agreement shall continue in full force and effect. If such default or breach is not remedied within thirty (30) days following such notice, then City may, at its option, terminate this Lease, and, in addition to all of the remedies, City may re-enter and re-lease the Premises, and all improvements shall become the sole property of City. Upon termination, all subleases permitted by this Lease Agreement, at the option of City, shall terminate. Such termination shall not waive any remedy available to either party because of such default or breach. Each term and condition of this Lease Agreement shall be deemed to be both a covenant and a condition. Upon default or breach by Lessee, City may, in addition to all other remedies available in law or equity, recover all damages proximately resulting from the breach or default, including, but not limited to, the cost of recovering the Premises and attorneys' fees

Appointments of a receiver to take possession of Lessee's assets, Lessee's general assignment for the benefit of creditors, Lessee's insolvency, and Lessee's taking or suffering action under the Bankruptcy Act are breaches of this Lease Agreement. Upon any such event, City shall have the option to terminate this Lease Agreement or to require that Lessee provide additional security by means of a cash security deposit, advance rental payments, or such other action as City deems prudent to protect the Premises and City finances.

16. Surrender of Premises. Upon expiration or termination of the initial term or any extended term of this Lease Agreement, all buildings, structures, facilities, improvements or alterations thereto constructed by Lessee shall become part of the land upon which they are erected, and title thereto shall, upon expiration or termination, automatically vest in City. Lessee shall leave the surrendered Premises and any other property in a well maintained manner. All improvements shall be surrendered in good and clean condition.

Notwithstanding the foregoing, all uncompleted or partially or totally destroyed improvements shall, at City's option, be removed prior to surrender of the Premises, and the site of such improvements shall be returned to the same condition as prior to the execution of the Lease Agreement.

17. Assignment/Subletting/Sale. Neither this Lease Agreement nor any interest herein shall be assigned, either voluntarily or involuntarily, by Lessee, or by operation of law or otherwise, nor shall the Property, or any part thereof, be sublet or sold by Lessee without the prior written consent of City, which shall not be unreasonably withheld by City. Such assignment, sublease or sale shall be subject to all conditions contained in this Lease Agreement. Any such assignment, sublease or sale without such prior written consent of City shall be void. City shall have the right to assign or transfer this Lease Agreement or any rights in or to it. Lessee agrees failure to maintain the required insurance, or to cause the breach of any clause in this Lease Agreement, or to fail to abide by any Airport rule or regulation, shall be deemed a material breach of this Lease Agreement.

18. Sale of Hangar: Subject to the provisions of Paragraph 17 above, Lessee may sell hangar and in such case this Lease Agreement will be part of that sale.

19. Destruction of Premises. If the Premises are damaged or destroyed by fire, earthquake or other act of God or any other causes so as to render them unfit for occupancy, except as caused by Lessee or any of his employees, agents or invitees, then Lessee may terminate this Lease Agreement at his option; but should Lessee elect to reconstruct said Premises it shall do so within six (6) months after the date of destruction.

20. Security. City does not warrant the security of Lessee's property at the Airport, including but not limited to aircraft, fuels, tools, vehicles and related ground equipment.

21. Sole Agreement; Amendments. This Lease Agreement constitutes the sole and final agreement between City and Lessee respecting the lease of the Premises. No prior agreement or understanding pertaining to lease of the Premises is effective. This Lease Agreement may be modified only by a writing signed by the parties.

22. Binding on Successors. This Lease Agreement and each of its provisions shall be binding upon and shall inure to the benefit of the respective heirs, executors, administrators, trustees, successors, and assigns of the parties.

23. Waiver. City's waiver of breach of any provision of this Lease Agreement shall not be treated as a continuing waiver of such provision or as a waiver of any future breach of the same or other provision of the Lease Agreement. City's acceptance of

rent shall not be treated as a waiver of Lessee's previous breach of any provision of this Lease Agreement. No custom or practice which may arise or develop between the parties in the course of the term of this Lease Agreement shall be construed to waive or diminish City's right to insist upon Lessee's performance of all terms, covenants, and conditions hereof, or to pursue any rights and remedies City may have if Lessee defaults in performance of this Lease Agreement.

24. Holding Over. If Lessee remains in possession of any portion of the Premises beyond the date of termination of this Lease Agreement, for any reason, then Lessee shall pay, on a monthly basis, City one hundred fifty percent (150%) of the rent that was applicable on the date of termination and continue to pay that amount each month, or part thereof, Lessee's possession of any portion of the Premises continues.

25. General. If any term or provision of this Lease Agreement or any application thereof shall be invalid or unenforceable, then the remainder of this Lease Agreement and any other application of its terms or provisions shall not be affected thereby. The captions of this Lease Agreement are for the convenience of reference only and shall not define or limit any of the Lease Agreement's terms and provisions. The relationship created by this Lease Agreement is one of landlord-tenant. This Lease Agreement is not intended to create a joint venture or any relationship other than landlord-tenant.

Lessee's use of the Premises shall at all times fully comply with this Lease Agreement, Lompoc Municipal Code Chapter 3, all applicable federal, state and local laws and regulations, and all signs and lawful instructions of Airport staff. In utilizing the Premises, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, sex, religion or national origin. Lessee is subject to the provisions of Part 15 of the Federal Aviation Regulations and any amendments thereto which are incorporated herein by this reference. Lessee acknowledges that he has read the Lompoc Airport Ordinance and agrees to abide by all of the Airport rules and regulations.

This Lease Agreement shall not be deemed to grant the exclusive right of any Airport use forbidden by Section 308 of the Federal Aviation Act of 1958, any other federal statute or regulation, or state or local law or other directive.

26. Attorneys' Fees: In any action or proceeding by either party to enforce this Lease Agreement or any provision thereof, the prevailing party shall be entitled to all costs incurred and to reasonable attorneys' fees.

27. Notices. Any notice required by law or pursuant to this Lease Agreement shall be deemed to be fully given when written and dispatched by certified mail, return receipt requested, postage prepaid, to the parties at the addresses below. Notices shall be deemed served on the date of postmark.

CITY OF LOMPOC

Attn: Aviation/Transportation
100 Civic Center Plaza
P.O. Box 8001
Lompoc, CA 93438-8001

LESSEE

Rene' L. Minjares
Barnstormers Aero Services, Inc.
3972 Celestial Way
Lompoc, CA 93436

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the date first above written.

CITY OF LOMPOC

Rene' Minjares
dba Barnstormers Aero Services, Inc.

By: _____
John H. Linn, Mayor

By: _____
Rene' L. Minjares

ATTEST:

Stacey Alvarez, City Clerk

APPROVED AS TO FORM:

Joseph W. Pannone, City Attorney

Attachment: [Exhibit A](#)