

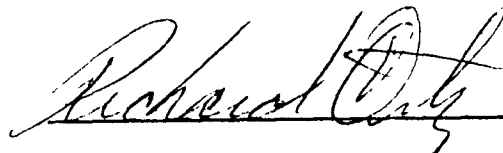
## RESOLUTION NO. 1902

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
 AUTHORIZING THE EXECUTION OF LEASE BETWEEN THE  
 CITY OF SOLEDAD AND CROP FLIGHT, INC.,  
 A CORPORATION

BE IT RESOLVED that the Mayor and City Clerk of the City of Soledad be, and they are hereby, authorized, for and on behalf of the City of Soledad to execute a lease between the City of Soledad, Lessor, and Crop Flight, Inc., a corporation, Lessee, in the form of the lease hereunto attached, marked "Exhibit A", and by reference made a part hereof.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Soledad duly held on the 14th day of February, 1989, by the following vote:

AYES, and in favor thereof, Councilmembers: Campos,  
 Holguin, Ledesma, Mayor Pro Tem Untalon, Mayor Ortiz  
 NOES, Councilmembers: None  
 ABSENT, Councilmembers: None

  
 \_\_\_\_\_  
 MAYOR OF THE CITY OF SOLEDAD

ATTEST:

  
 \_\_\_\_\_  
 CITY CLERK OF THE CITY OF SOLEDAD

LEASE

THIS LEASE is made by and between the CITY OF SOLEDAD, a municipal corporation, hereinafter called "Lessor", and CROP FLIGHT, INC., a corporation, hereinafter called "Lessee", as follows:

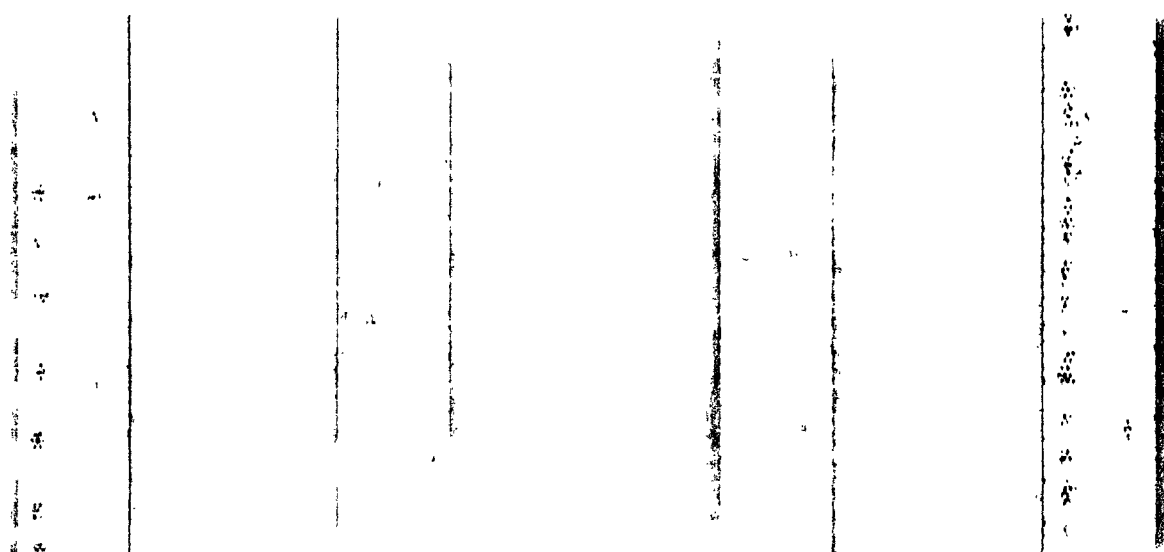
That the Lessor, for and in consideration of the rents, covenants and agreements hereinafter set forth to be paid, kept and performed by the Lessee, does by these presents lease and let unto the Lessee and the said Lessee does by these presents take and hire from the Lessor, an aircraft landing strip approximately 50' wide by 1,900' long located on a tract of land owned by Lessor near the Salinas River at Soledad, California, together with a parcel of land measuring approximately 100' x 400' adjacent to, and at the southerly end of, said landing strip.

The terms and conditions of this lease are as follows:

1. Term. The term of this lease shall be two (2) years commencing on December 1, 1988, and ending on November 30, 1990. Provided, however, that Lessor, at its election, shall have the right to terminate this lease at any time upon giving to Lessee not less than thirty (30) days' prior written notice of such termination.

2. Use. The demised premises shall be used solely

EXHIBIT "A"



and exclusively for agricultural flight operations, and no other use shall be made thereof without the prior written consent of the Lessor. "Agricultural flight operations," as used herein, does not include aircraft repair or maintenance (except when made necessary by a bona-fide emergency), nor does it include training of personnel, aircraft sales or rentals, or any other business activity not directly related to the aerial application of chemicals, fertilizer, seed, or other similar products to agricultural properties. With the prior written consent of the Lessor, the Lessee may allow such use of the premises by a third person or firm engaged in and fully licensed to perform agricultural flight operations. In applying to Lessor for such consent Lessee shall provide Lessor with the name, address and telephone number of such third person or firm, together with a certificate of insurance as required under the provisions of Paragraph 6 below. It is specifically understood and agreed that such permission to use the premises given by Lessee to any third person or firm shall not constitute an assignment of this lease, or any interest herein, or a sublease of the premises, or any part thereof, but shall only constitute a temporary license from the Lessee, revocable at will; that Lessee shall be fully responsible for any breach of, or default in the performance of, the terms of this lease on the part of such licensee; and that Lessee likewise shall be fully responsible for any damage suffered by Lessor resulting from the use of said premises by any such

licensee.

3. Rental. During said term Lessee shall pay to Lessor the sum of One Thousand One Hundred Dollars (\$1,100.00) for the first year, payable in advance on December 1, 1988; and One Thousand Two Hundred Dollars (\$1,200.00) for the second year, payable on December 1, 1989.

4. Repairs; No Guarantees or Warranties. Lessee acknowledges that the demised premises are now in good order and condition and Lessee agrees to keep the same in good order and condition at all times at the sole cost and expense of Lessee. It is specifically understood and agreed that Lessee accepts this lease and the demised premises with full knowledge of the condition of said premises, and Lessor makes no representation or warranty whatsoever with respect to the same. Lessor shall not be called upon to make any improvements, repairs or replacements whatsoever upon the demised premises, or any part thereof.

5. Improvements. Lessee may erect improvements adjacent to the airstrip to the extent required for Lessee's operations, subject to the condition that no improvement shall be permanently affixed to the land without the prior written consent of Lessor. All such improvements shall be made by Lessee at Lessee's own expense, and Lessee hereby agrees to indemnify Lessor against any and all liability for such expense. At the expiration of the term of this lease, Lessee may remove from the premises all of said improvements which

are not permanently affixed and which can be removed without damage or injury to the premises. Any excavations remaining shall be filled by Lessee and the premises shall be graded to ground level and left in a neat and clean condition.

6. Hazardous Materials. In all of its operations on the leased premises the Lessee shall strictly observe and comply with all laws, statutes, ordinances, codes, rules and regulations of Federal, State, regional and local governing agencies having jurisdiction, including those of the County of Monterey and the City of Soledad, relating to protection of the environment and in particular to the use, handling, transportation, storage and application of agricultural chemicals and fertilizers, fuels, and other materials and substances which are legally defined as hazardous or toxic, and the disposal of containers for the same. Without limiting the generality of the preceding sentence, Lessee agrees:

(a) To regularly inspect its equipment and monitor its procedures for the storage, handling and use of all such hazardous or toxic materials and substances in order to prevent contamination of the ground or water or air pollution, and upon discovery of any defect in said equipment or procedures, to take immediate action to correct the same;

(b) To take immediate steps to control the spillage, leakage, or escape of any such hazardous or toxic materials or substance which may occur on

the premises, and to promptly report such event to the governmental agencies having jurisdiction, including the Monterey County Health Department; and

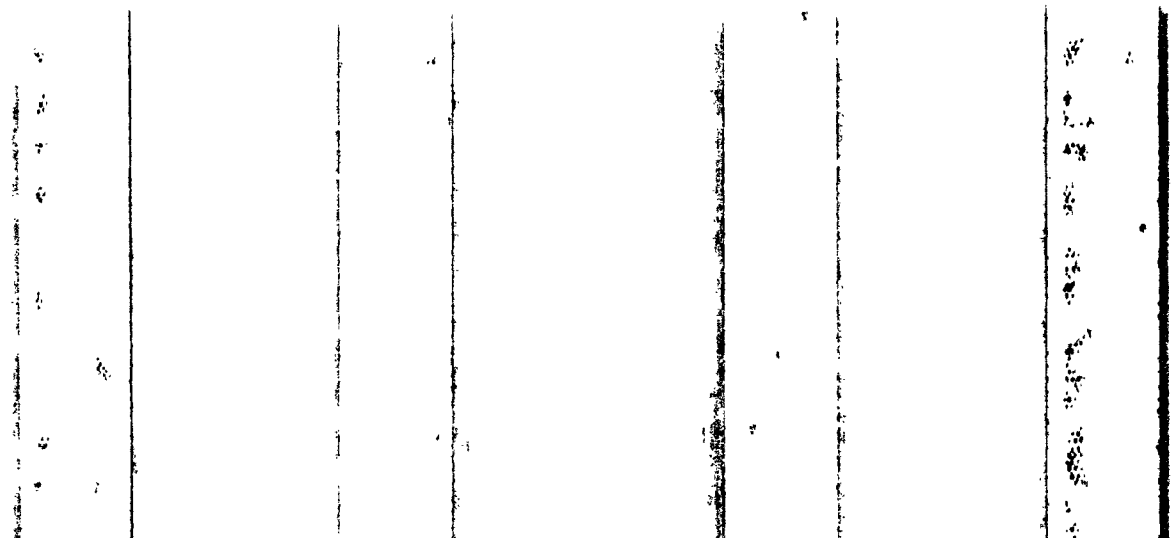
(c) Immediately upon the discovery of any contamination of the ground or water on the leased premises resulting from the spillage, leakage, or escape of any such hazardous or toxic material or substance, to take all necessary corrective action and remove such contamination in accordance with the requirement of governmental agencies having jurisdiction. The requirements of this subparagraph (c) shall apply not only to contamination occurring during the term of this lease, but also to any contamination which has occurred as the result of Lessee's occupancy and use of the premises during previous tenancies.

(d) To indemnify Lessor against all fines, penalties, judgments, attorneys' fees and court costs, ordered or imposed, and against all liability for costs of corrective action ordered to be taken, in any civil or criminal action or proceeding brought against it by a governmental agency or by a private citizen, group, or organization, as the result of the violation, or alleged violation, by Lessee of any Federal, State, regional or local law, statute, ordinance, code, rule or regulation

relating to the protection of the environment, whether occurring during the term of this lease or during the term of any previous tenancy under which Lessee occupied said premises. Lessee further agrees to indemnify Lessor against all costs and expenses, including attorneys' fees, which Lessor may incur in defending itself in any such civil or criminal action or proceeding.

7. Indemnification; Insurance. Lessee hereby waives any and all claims for injury to person or property arising out of Lessee's operations hereunder and agrees to indemnify and save harmless the Lessor from any and all loss or liability arising out of the use of the premises by Lessee, or by a licensee of Lessee. Lessee and Lessee's licensees, if any, each shall carry public liability insurance in an amount not less than One Million Dollars (\$1,000,000.00), in which the Lessor is a named insured, and will furnish Lessor with a certificate or certificates of insurance evidencing such coverage, which shall include an agreement by the insurer not to modify or cancel said insurance without giving prior written notice thereof to Lessor. Lessee agrees to compensate Lessor on demand for all damage or injury to the demised premises or to any other property, real or personal, owned by Lessor, arising out of the use of said premises by Lessee, or by a licensee of Lessee.

8. Damage to Sewer Ponds by Pesticides, Herbicides,



and Other Chemicals. Lessee shall take proper precautions to avoid accidental contamination of Lessor's sewer ponds adjacent to the leased premises. Lessee shall be liable for any and all damage due to chemical contamination of the sewer ponds created by the Lessee's operations on said premises. In the event of such contamination, and the failure of Lessee to take necessary remedial measures within 24 hours after being notified to do so, Lessor may do the necessary remedial work and the cost thereof shall be due to Lessor on demand.

9. Utilities. Lessee shall pay for all utilities and services used by Lessee upon the demised premises.

10. Liens. Lessee agrees to keep said premises free from liens of every character, and in the event any liens for labor or materials should arise during the term hereof on account of any act or omission by Lessee, Lessee agrees forthwith to discharge and pay the same.

11. Default. Should the Lessee abandon the demised premises or otherwise breach this lease, then the Lessor may re-enter and repossess the demised premises and remove all persons and property therefrom, without notice and without liability for trespass, and this lease shall thereupon terminate. Upon such termination the Lessor may recover from the Lessee as damages all sums provided for in Section 1951.2 of the Civil Code, including but not limited to the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount

of such rental loss for the same period that the Lessee proves could be reasonably avoided.

12. Waiver. The waiver by Lessor of any default or breach of this lease by Lessee shall not be deemed or held to be a waiver of any subsequent or other default or breach hereof by said Lessee.

13. Possessory Interest of Lessee. Lessee recognizes and understands that this lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest.

14. Assignment and Subletting. Except as herein otherwise expressly provided, neither this lease, nor any interest therein, shall be assignable in whole or in part by Lessee, nor shall Lessee underlet the demised premises, or any part thereof. No interest herein of Lessee shall be assignable in proceedings in bankruptcy or insolvency or in any other manner by operation of law.

15. Attorney's Fees. In case either party shall bring suit against the other to compel the performance of, or to recover for the breach of, any covenant, agreement or condition herein written, or, in the case of the Lessor, to recover possession of the demised premises or to remove from the record this lease or any lien or encumbrance thereon created by the Lessee, the prevailing party shall be entitled to a reasonable attorney's fee, to be fixed by the court and

made a part of any judgment entered therein.

16. Survival of Covenants. All of the covenants and agreements made by each party hereto shall survive and continue in effect for the benefit of the other party beyond the date of expiration or termination of this lease.

17. Notice. Any notice to be given to Lessee shall be sufficiently served if deposited in the United States mail, registered or certified, addressed to the party to be served as follows:

Crop Flight, Inc.  
P. O. Box 445  
Greenfield, California 93927

18. Holding Over. In case Lessee holds over the term of this lease, such holding over shall be deemed a tenancy from month to month only, and upon the same terms and conditions as are herein stated.

19. Inspection. Lessor shall have the right to enter said premises, or any part thereof, at all reasonable times for the purpose of inspecting the same or for any other lawful purpose.

20. Time of the Essence. Time and specific performance are of the essence of this agreement, and of every provision hereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands in duplicate, the day and year first hereinabove

written.

LESSOR:

CITY OF SOLEDAD, a  
municipal corporation,

By *[Signature]*  
Mayor

By *[Signature]*  
City Clerk

LESSEE:

CROP FLIGHT, INC., a  
corporation,

By *[Signature]*  
President