

January 17, 2007

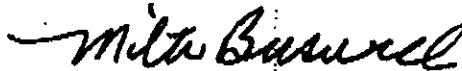
City of California City;

I Milton Buswell, have entered into an agreement to sell my Hangers located at California City Airport to John J. Fischer. I would like to request an assignment of my property lease on Parcel's #5, 6, 10, 11, 12, 13 & 14 at California City Airport, to Mr. Fischer. Mr. Fischer understands and acknowledges the existence of the aforementioned lease. Further Mr. Fischer agrees to the terms and conditions of the current lease.

Mr. Fischer can be contacted at:

John J. Fischer  
P.O. Box 2294  
California City, CA 93504  
Cell (818) 257-0911

Thank You



Milton Buswell  
Phone (661) 324-~~2801~~  
3244001

CC3.

I hereby assign my interest under a lease with the City of California City, dated March 1, 1998, for parcels 5,6,10,11,12,13 & 14, at the California City Airport, to John Fischer effective when approved by the City of California City.

Milton Buswell  
Milton Buswell

1-25-7  
Date

I hereby accept the assignment of lease dated, March 1, 1998, between Milton Buswell and the City of California City, dated March 1, 1998 and agree to be bound by the terms and conds of the lease.

John Fischer  
John Fischer

01-25-07  
Date

The City of California City approves the forgoing assignment of lease.

\_\_\_\_\_  
William W. Way, Jr.  
City Manager

\_\_\_\_\_  
Dated

California City Ca,  
93505

2-3 weeks

LEASE AND AGREEMENT  
FOR UNIMPROVED PROPERTY

THIS LEASE AND AGREEMENT is made and entered into as of March 1  
1988,  
BY AND BETWEEN

The CITY OF CALIFORNIA CITY,  
hereinafter referred to as "Lessor"  
Milton Buswell

AND

\_\_\_\_\_ ,  
hereinafter referred to  
as "Lessee"

THE PARTIES DO HEREBY AGREE as follows:

Section 1. Leasehold Premises

Lessor hereby leases to Lessee and Lessee hereby hires and takes of and from Lessor those certain demised premises located in the County of Kern, State of California, consisting of a parcel of unimproved land consisting of approximately 304,920 sq. ft. located near the California City Municipal Airport, and more particularly described in Exhibit "A" attached hereto and hereby incorporated by reference. Parcels #'s 5, 6, 10, 11, 12, 13, & 14

Section 2. Term

The term of this lease is thirty (30) years, commencing on the date first above written and terminating thirty (30) years thereafter unless extended as hereinafter set forth;

Provided the lessee has fully performed all of the terms and conditions of this lease, the term of this lease may be extended for one added five (5) year term upon the same terms and conditions herein stated, provided further, lessee shall provide lessor with written request to extend at least sixty (60) days prior to the expiration of the then current term.

Section 3. Consideration

Lessee shall pay to Lessor as rent for the demised premises during the term of this Lease the sum of \$Three hundred fifty (350.00) DOLLARS per month in advance on the first day of each month commencing on the first day of the term hereof. The rental amount will be adjusted every five (5) years beginning on March 1, 1988 and every five years thereafter to reflect changes, if any, in the Consumer Price Index reported for the East Kern area by the California Department of Finance, or newest successor index.

**Section 4. Use of Premises**

The demised premises shall be used by Lessee in accordance with the approved zoning for the property.

**Section 5. Nuisance or Unlawful Uses**

Lessee shall not commit, or allow others to commit, any waste on the premises, or nuisance, nor shall it use or allow the premises to be used in violation of Federal, State, County and/or City laws, ordinances or regulations.

**Section 6. Holdover**

If Lessee holds over beyond the end of the term herein provided with the consent, express or implied of Lessor, such tenancy shall be from month to month only subject to the terms and conditions of this Lease, but shall not be a renewal hereof, and the rent to be paid therefor shall be at the price prevailing under the terms of this Lease at the time of said holdover.

**Section 7. Fixtures and Improvements**

(a) Lessee shall complete construction of permanent improvements to the demised premises within two years from the date of this lease. The improvements shall have a floor area of

at least 10% of the area of the demised premises. Lessee shall submit proposed plans for the improvements to Lessor for approval prior to commencement of construction, which approval shall not be unreasonably withheld.

(b) Lessee may remove at the expiration or other termination of the term of this Lease, or any extension or holdover period thereof, as the case may be, leasehold improvements and fixtures, equipment and other personal property placed or installed in or upon the demised premises by Lessee or under its authority; provided, however, that any damage resulting from such removal shall be repaired by Lessee.

#### Section 8. Repairs and Maintenance

(a) Lessor shall keep in good repair and maintain at Lessor's expense the basic structure of the improvements on the demised premises, including: roof, walls, heating, air conditioning, and plumbing not visible from interior areas.

(b) Lessee shall keep in good repair and maintain at Lessee's expense the demised premises including any improvements thereon which are not required to be maintained by Lessor.

#### Section 9. Utilities

(a) Lessee agrees to pay for the furnishing of all water for use in or upon the demised premises during the term of this lease, or any extension or holdover period thereof, if the charges therefor are separately metered with respect to the demised premises.

(b) Lessee agrees to pay for the furnishing of all gas, electricity, telephone service, and waste system or sewer service

which may be used in or upon the demised premises during the term of this Lease, or any extension or holdover period thereof, provided, Lessee is not obligated to obtain such service.

Section 10. Inspection and Maintenance

Lessor reserves the right to enter on the premises at reasonable times for the purpose of inspection, to perform required maintenance and repair, to any part of the property on which the Lessee's storage building is located or the building itself, and Lessee agrees to permit Lessor to do so. Lessor may in connection with such repairs, erect scaffolding, fences, and similar structures, post relevant notices, and place movable equipment without any objection to reduce Lessee's rent of the premises during such period, and without incurring liability to Lessee for disturbance or quiet enjoyment of the premises during such period, and without incurring liability to Lessee for disturbance or quiet enjoyment of the premises or loss of occupancy thereof. Lessor shall provide Lessee with reasonable prior notice of Lessor's intent to make such inspection and/or repairs so that the parties may coordinate such efforts in such a way as to minimize or eliminate, if possible, any disruption of Lessee's operations. Prior to performing any repairs of the property, Lessor shall deliver to Lessee in writing a detailed description of the intended repairs and shall grant to Lessee a reasonable time to perform such repairs before Lessor undertakes such work. If Lessor performs such repairs, then the costs of such repair shall be borne by Lessee and shall be paid at the time the next rental installment is due.

placed or permitted to be placed, on the premises, which is in violation of the provisions of this paragraph. If Lessee fails to remove such signs, displays, advertisements or decorations within thirty (30) days after having received written notice to remove the same from Lessor, Lessor reserves the right to re-enter the premises and remove them at Lessee's expense.

**Section 12. Indemnification**

Lessee hereby agrees to save and hold Lessor, its officers, agents, and employees, free and harmless from any and all liability, costs or damages, including attorney's fees, arising out of any act or omission to act, including any negligent act or omission to act, by Lessee, its officers, agents, or employees arising out of or in any way connected with Lessee's use or occupancy of the demised premises.

**Section 13. Insurance**

(a) Lessee agrees to procure and maintain in force during the term of this Lease, and any extension thereof, at its expense, a policy of liability insurance covering hazards associated with Lessee's operations in a minimum amount of \$300,000.00. The policies shall name Lessor as an additional or co-insured. Lessee shall require the insurer to notify Lessor in writing at least thirty (30) days prior to cancellation, modification or refusal to renew any such policy. Lessee agrees that if such insurance policies are not kept in force during the entire term of this Lease and any extension thereof, Lessor may procure the necessary insurance, pay the premium therefor and that the total cost of such insurance shall be paid to Lessor as

an additional rent installment for the month following the date on which such premiums are paid.

(b) Lessor agrees to procure and maintain in force during the term of this Lease, and any extension thereof, at its expense, fire and extended coverage insurance to protect against whole or partial destruction of the premises by any casualty specified by any person who provides funds for the construction of the facilities in the amount of the replacement value of the premises as determined annually. The policies shall name Lessee as an additional or co-insured. Lessor shall require the insurer to notify Lessee in writing at least thirty (30) days prior to the cancellation, modification or refusal to renew any such policy. Lessor agrees that if such insurance policies are not kept in force during the entire term of this Lease, and any extension thereof, Lessee may procure the necessary insurance, pay the premium thereof; the total cost of such insurance shall be deducted by Lessee from the rent installment for the month following the date on which such premiums are paid.

*establish  
credit  
worthiness  
financially  
capable*

Section 14. Assignment

*protect security*

Lessee agrees not to assign this Lease or sublease the demised premises, or any right or privilege connected therewith, without having first obtained Lessor's written consent, which consent shall not be unreasonably withheld. Rental of occupancy space within the Lessee's storage building does not in this definition, constitute assignment or sublease. One consent by Lessor shall not be a consent to a subsequent assignment or sublease. Lessee's unauthorized assignment or sublease shall be

void and shall terminate this lease at Lessor's option. Lessee's interest in this Lease is not assignable by operation of law. Nor is any assignment of its interest herein without Lessor's written consent.

Section 15. Breach by Insolvency

Appointment of a receiver to take possession of Lessee's assets, Lessee's general assignment for the benefit of creditors or Lessee's insolvency or taking or suffering action under the Bankruptcy Act is a breach of this Lease. Such breach shall automatically terminate this lease, at the option of Lessor.

Section 16. Alterations

Lessee agrees that it will not alter the premises or permit the premises to be altered without having first obtained the written consent of Lessor to such proposed alteration which consent shall not be unreasonably withheld.

Lessee shall complete the construction of permanent improvements to the demised premises within two (2) years of the date of this lease. The improvements shall have a floor area of at least ten (10) percent of the area of the demised premises. Lessee shall submit plans for the improvements to lessor for approval prior to commencement of construction which approval shall not be unreasonably withheld.

Section 17. Lessor's Remedies on Lessee's Breach or

Abandonment

(a) If the Lessee breaches this lease and abandons the property before the end of the term or if the Lessee's right to possession is terminated by the Lessor because of a breach of the

(c) Lessee shall not make use of the demised premises in any manner which might interfere with lawful air navigation and communication, the landing or taking off of aircraft from Airport, or otherwise constitute an airport hazard. In the event the aforesaid covenant is breached, Lessor reserves the right to re-enter the demised premises and cause the abatement of such interference at the expense of Lessee.

(d) Lessor reserves the right to further develop or improve the landing area at the California City Airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.

(e) 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 the Lessee in this regard. Provided, however, in the event the taxiways or runways at the Airport are wholly or partially rendered unfit for aeronautical use, or the Airport ceases to be operated as an airport, then this Lease may be terminated by Lessee, at its option, by its giving of at least thirty (30) days written notice thereof to Lessor.

(f) Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

Section 25. Nondiscrimination

Lessee, in the operations to be conducted pursuant to the provisions of this Lease and otherwise in the use of the Airport

facilities, will not discriminate or permit discriminations against any person or class of persons by reason of race, color, creed, sex or national origin in any manner prohibited by Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, or as said regulation may be amended from time to time.

Section 26. Property Taxes

Revenue and Taxation Code §§ 107 and 107.4 provide for the imposition of a property tax on the "possessory interest" created in property which is otherwise tax exempt. Lessee's lease of the subject property may create property tax liability if it is found that a possessory interest is vested in the Lessee. Lessee shall pay all such property taxes before delinquency.

Section 27. Interest

If the payments required herein are not paid within 60 days after they become due, then, in addition to such sums as are due, Lessor shall be paid interest at the rate of 1 1/2% per month on the unpaid balance or portion thereof, until paid in full.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused it to be executed as of the day, month and year first above written.

CITY OF CALIFORNIA CITY

By   
City Manager

LESSEE:

By Milton Buswell

By \_\_\_\_\_