



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

CITY COUNCIL MINUTES

Tuesday, March 16, 2010 7:30 PM

**MEETING LOCATION: PASO ROBLES LIBRARY/CITY HALL
CONFERENCE CENTER, 1000 SPRING STREET**

**PLEASE SUBMIT ALL CORRESPONDENCE FOR CITY COUNCIL PRIOR
TO THE MEETING WITH A COPY TO THE CITY CLERK**

7:30 PM – CONVENE REGULAR MEETING

CALL TO ORDER – Downstairs Conference Center

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL Councilmembers Nick Gilman, John Hamon, Ed Steinbeck, Fred Strong and Mayor Duane Picanco

STAFF INTRODUCTIONS

PUBLIC COMMENTS

- **Denise Serber** – Thanked the Council for their continued support of the Library and mentioned a featured article in last week's Tribune about our Library.
- **Lisa Solomon** – Welcomed Chaplain Swanson who gave the invocation tonight; introduced Dan Owens and Tim Mensing. These are 3 volunteers who serve in times of need and crisis.
- **John Borst** – Reminded the public of the water protest period.
- **Kathy Barnett** – Encouraged public to write letters in support of the Uniform Water Rate.

AGENDA ITEMS TO BE DEFERRED (IF ANY)

PRESENTATIONS

1. **Autism Awareness Month**

D. Picanco, Mayor

Mayor Picanco presented a proclamation to Gary Nemeth and a Representative from the Central Coast Autism Spectrum organization.

PUBLIC HEARINGS

CONSENT CALENDAR

ITEMS ON THE CONSENT CALENDAR ARE CONSIDERED ROUTINE, NOT REQUIRING SEPARATE DISCUSSION. However, if discussion is wanted or if a member of the public wishes to comment on an item, the item may be removed from the Consent Calendar and considered separately. Councilmembers may ask questions of clarification without removing an item from the Calendar. INDIVIDUAL ITEMS ARE APPROVED BY THE VOTE THAT APPROVES THE CONSENT CALENDAR, UNLESS AN ITEM IS PULLED FOR SEPARATE CONSIDERATION.

2. Approve City Council minutes of March 2, 2010 and March 4, 2010

D. Fansler, City Clerk

3. Approve Warrant Register: Nos. 89424-89534 (02/26/10); and 89535-89648 (03/05/10)

J. Throop, Administrative Services Director

4. Receive and file Advisory Body Committee minutes as follows:

Citizen's Airport Advisory Committee Minutes of December 10, 2009

Youth Commission Minutes of February 3, 2010

Senior Citizen Advisory Committee Minutes of February 8, 2010

5. Schedule Thursday, May 6 and Thursday May 20, 2010 for Advisory Body Applicant Interviews

A. Robb, Library and Recreation Services Director

6. Adopt Resolution No. 10-030 awarding a contract to install landscape improvements at Flamson Middle School.

D. Monn, Public Works Director

7. Approve a request by the North County Cloud Clippers, to host the annual Airport Day/ open house at the Airport.

M. Williamson, Assistant City Manager

Consent Calendar Item No. 2 was pulled by John Borst.

Consent Calendar Items No. 3-7 were approved on a single motion by Councilman Gilman, seconded by Councilmember Steinbeck.

Motion passed by the following unanimous roll call vote:

AYES: Gilman, Hamon, Steinbeck, Strong and Picanco

NOES:

ABSENT:

ABSTAIN:

ITEM PULLED FROM CONSENT CALENDAR

- 2. Approve City Council minutes of March 2, 2010 and March 4, 2010**
D. Fansler, City Clerk

Mayor Picanco opened the public discussion. Speaking from the public was John Borst. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Strong, seconded by Councilmember Steinbeck, moved to approve the City Council minutes of March 2 and 4, 2010 as presented.

Motion passed by the following unanimous roll call vote:

AYES: Gilman, Hamon, Steinbeck, Strong and Picanco
NOES:
ABSENT:
ABSTAIN:

DISCUSSION

- 8. Annual Report on the General Plan**
R. Whisenand, Community Development Director

For the City Council to consider a status report on the implementation of the General Plan.

Mayor Picanco opened the public hearing. There were no comments from the public, either written or oral, and the public discussion was closed.

Councilmember Strong, seconded by Councilmember Gilman, moved to approve the 2010 General Plan Annual Report as submitted. Motion passed by voice vote.

- 9. Speed Zone Survey – Additional Roads**
L. Solomon, Chief of Police

For the City Council to consider adopting a resolution establishing speed limits at South Vine Street, South River Road, Experimental Station Road and Dallons Drive.

Mayor Picanco opened the public hearing. Speaking from the public was Dale Gustin. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Strong, seconded by Councilmember Hamon, moved to adopt Resolution No. 10-031 approving speed limits for South Vine Street, South River Road, Experimental Station Road, and Dallons Drive.

Motion passed by the following unanimous roll call vote:

AYES: Gilman, Hamon, Steinbeck, Strong and Picanco
NOES:
ABSENT:
ABSTAIN:

10. 2010 Sewer Main Rehabilitation

D. Monn, Public Works Director

For the City Council to consider awarding contracts to rehabilitate the City's sewer main pipeline at various locations.

Mayor Picanco opened the public hearing. There were no comments from the public, either written or oral, and the public discussion was closed.

Councilmember Hamon, seconded by Councilmember Steinbeck, moved to adopt Resolution No. 10-032 awarding and authorizing contracts as follows: (1) to MGE Underground, in the amount of \$383,717.50, to rehabilitate the City's sewer mains at various locations; and (2) to AECOM, in a not-to-exceed fee amount of \$59,924, for construction management services.

Motion passed by the following unanimous roll call vote:

AYES: Gilman, Hamon, Steinbeck, Strong and Picanco

NOES:

ABSENT:

ABSTAIN:

11. 2010 Urban Water Management Plan

D. Monn, Public Works Director

For City Council to consider a contract with Todd Engineers to update the City's Urban Water Management Plan (UWMP).

Doug Monn introduced Christopher Alakel who presented the report.

Mayor Picanco opened the public hearing. Speaking from the public were Kathy Barnett and John Borst. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Steinbeck, seconded by Councilmember Gilman, moved to adopt Resolution No. 10-033 awarding a contract with Todd Engineers for preparation of the 2010 Urban Water Management Plan.

Motion passed by the following unanimous roll call vote:

AYES: Gilman, Hamon, Steinbeck, Strong and Picanco

NOES:

ABSENT:

ABSTAIN:

COUNCIL COMMENTS (Including oral reports on conferences attended) - None

Adjournment at 8:30 pm to

CLOSED SESSION

CALL TO ORDER – Large Conference Room, 2nd Floor

a. Conference with Legal Counsel - existing litigation

Government Code section 94956.9(a)

City of Paso Robles v. North American Jet Charter -- San Luis Obispo County Superior Court Case No. LC 108113 and

City of Paso Robles v. North American Jet Charter - San Luis Obispo County Superior Court Case No. LC 108114

Councilmember Strong, seconded by Councilmember Steinbeck, moved to ratify the "Settlement Agreement and Amendment of Leases" dated March 15, 2010, between the City of Paso Robles and collectively North American Jet Charter Inc. and Paso Robles Jet Center Inc. (the agreement of which is attached and incorporated into these minutes). Motion passed unanimously.

b. Conference with Legal Counsel - existing litigation

Government Code section 54956.9(a)

V. Lopez & Son Construction, Inc. v. City of El Paso de Robles, OAH Case No. A-0001-09

c. Conference with Legal Counsel - anticipated litigation

Gov't Code section 54956.9(b)

Borst, et al. v. City of Paso Robles, Case No. CV 09-8117

d. Conference with Legal Counsel - anticipated litigation

Gov't. Code section 54956.9 (a) -- Russell Peterson and Suzanne Smiley v. City of Paso Robles, US. Dist. Court, (Central Dist.) Case No. CV 10 1705

ADJOURNMENT at 9:30 pm to:

- JOINT PLANNING COMMISSION/CITY COUNCIL BREAKFAST AT 7:00 AM ON FRIDAY, MARCH 19, 2010 AT TOUCH OF PASO
- THE REGULAR MEETING AT 7:30 PM ON TUESDAY, APRIL 6, 2010 AT THE LIBRARY/CITY HALL CONFERENCE CENTER, 1000 SPRING STREET

Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the City Council after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the City Clerk's Office, 1000 Spring Street, Paso Robles, CA, during normal business hours, and may be posted on the City's web site at <http://www.prcity.com/government/citycouncil/agendas.asp>.

All persons desiring to speak on an agenda item are asked to fill out Speaker Information Cards and place them at the Staff Table prior to public discussion of that item. Each individual speaker will be limited to a presentation total of three (3) minutes per item.

AMERICANS WITH DISABILITIES ACT Any individual, who because of a disability needs special assistance to attend or participate in this meeting, may request assistance by contacting the City Clerk's Office (805) 237-3960. Whenever possible, requests should be made four (4) working days in advance of the meeting.

***THE DEADLINE FOR SUBMITTING ITEMS FOR THE NEXT
REGULAR COUNCIL MEETING IS MARCH 19, 2010***

Submitted:

Lonnie Dolan, Deputy City Clerk

Approved:

SETTLEMENT AGREEMENT AND AMENDMENT OF LEASES

This Settlement Agreement and Amendment of Leases ("Settlement Agreement") is made and entered into this 15th day of March, 2010 by and between North American Jet Charter, Inc. a California corporation and Paso Robles Jet Center, Inc., a California corporation (collectively, North American Jet Charter and Paso Robles Jet Center ("PRJC") are referred to herein as "NAJC") and the City of El Paso de Robles, a municipal corporation ("City").

Recitals

A. North American Jet Charter and City entered into two leases for the lease of certain property at the Paso Robles Airport ("Airport"), as follows: (i) an Aeronautical Services Airport Lease Agreement, dated September 8, 2000 (the "North Lease"), and (ii) an Airport Lease Agreement, dated September 8, 2000 (the "South Lease"). The North Lease and South Lease are referred to collectively herein as the "Leases."

B. Subsequent to the execution of the Leases, North American Jet Charter formed Paso Robles Jet Center, an affiliate with common ownership, and assigned the Leases from NAJC to PRJC, although City has never approved an assignment of the Leases to PRJC, as required by the Leases.

C. On February 2, 2010, City filed unlawful detainer actions against NAJC in the San Luis Obispo County Superior Court, Case Nos. LC 108113 (South Lease) and LC 108114 (North Lease) (collectively, the "Actions") for failure by NAJC to perform certain covenants in the Leases. The City has obtained default judgments in both actions and writs of possession have been issued.

D. Among the aeronautical services to be provided under the North Lease is the provision of fuel, consisting of both Av-Gas ("Av-Gas") and Jet-A Fuel ("Jet Fuel"). The California Department of Forestry and Fire Protection ("CalFire") has operated out of the Paso Robles Air Attack Base located at the Airport since 1968, and provides firefighting aircraft and reloading capabilities for fighting fires throughout the Central Coast area of California. CalFire has requested that City provide assurances that there will be adequate inventories of both Av-Gas and Jet Fuel maintained at the Airport during the 2010 fire season, as well as personnel and servicing equipment, to ensure that aircraft will not need to be diverted to other airports to obtain fuel. CalFire has stated that if such assurances cannot be in place prior to May 1, 2010, it will be required to secure alternative fueling supply sources for the 2010 fire season and/or temporarily relocate its operations. In addition, other regular Airport users, including the California Highway Patrol and private aircraft owners, rely on the availability of fuel at the Airport.

E. NAJC desires to continue remain as a tenant at the Airport and is willing to provide the necessary assurances set forth herein and to settle other disputes related to the Leases, and the City is willing to forbear from having the writs of possession executed during the term of this Settlement Agreement.

Agreements

Section 1. Incorporation of Recitals.

The recitals set forth above, and all defined terms set forth in such recitals, are hereby incorporated into this Settlement Agreement as if set forth herein in full. Any capitalized terms not defined in this Settlement Agreement shall have the meanings set forth in the Leases.

Section 2. Fuel Requirements

a. Underground Tanks and Fueling Trucks.

The premises leased by NAJC contain two (2) underground fuel storage tanks that are currently in use, each with a capacity of 12,000 gallons. One (1) tank is and shall continue to be used to store Jet Fuel and one (1) tank is and shall continue to be used to store Av-Gas. In addition, effective April 1, 2010, NAJC shall maintain four (4) gas fueling trucks at the Airport, two of which shall be capable of carrying 3,000 gallons of fuel and used for fueling large aircraft, and two (2) of which shall be capable of carrying 1,000 gallons of fuel and used for fueling smaller aircraft. As of April 1, 2010 and continuing through the term of this Agreement, NAJC shall ensure that Av-Gas is carried in one (1) large and (1) small fueling truck, and that Jet Fuel is carried in one (1) large and one (1) small fueling truck.

b. Minimum Inventories of Fuel.

Effective April 1, 2010 and at all times throughout the term of this Agreement, NAJC shall be required to maintain no less than 7,000 gallons each of Av-Gas and Jet Fuel (whether stored in an underground tank and/or fueling trucks). At any time said inventory level of either type of fuel falls below such level, NAJC shall have a replacement load of fuel ordered, paid for and delivered to the underground storage tank within twenty-four (24) hours. NAJC shall provide City with written documentation of each fuel order, proof of payment and delivery time.

c. Personnel

During the entire term of this Settlement Agreement, NAJC shall maintain adequate personnel and staffing on duty to perform fueling operations. During the period of each and every air tanker operation (as declared by CalFire) or as may otherwise be reasonably required by City, NAJC shall have a minimum of two (2) fuel truck drivers on duty at the Airport until the end of each day's fire operations.

d. Monitoring of Fuel Levels

During the term of this Settlement Agreement, NAJC personnel shall provide, on a daily basis, the City Airport Services Coordinator with written reports on the amount of Av-Gas and Jet Fuel in each underground tank and each fueling truck. At all times

during the term of this Settlement Agreement, City shall be given access to the underground tanks and fueling trucks to independently verify the reported levels of Av-Gas and Jet Fuel.

e. Servicing Equipment

During the term of this Settlement Agreement, NAJC shall maintain all equipment required to deliver fuel to aircraft in good working order. Such equipment includes, but is not limited to, fuel tanks, pumps, piping and related dispensing equipment, together with any other necessary ground service equipment for the aircraft.

f. No Default Under Fuel Supply Contracts and Truck Lease

City understands that NAJC has a contract with Chevron to supply fuel as well as a lease for the fueling trucks. NAJC hereby covenants that it shall comply with all terms and conditions required by Chevron in order to ensure the timely delivery of fuel to the Airport and the continued lease of the fueling trucks in the number and sizes specified in subsection b., above. Such terms and conditions include, but are not limited to, the payment by NAJC in advance and in full, prior to any delivery of fuel by Chevron. NAJC shall notify City immediately if for any reason its agreements with Chevron for the supply of Av-Gas and/or Jet Fuel or its lease of any fueling trucks is terminated or if NAJC has been notified by Chevron that NAJC is in default under any such agreements. Any default by NAJC of any agreement with Chevron or any other fuel supplier shall be deemed to be a default under this Settlement Agreement.

g. Filings with State Board of Equalization

Within twenty (20) days of the date of this Settlement Agreement, NAJC shall review and update its filings of its Underground Storage Tank Maintenance Fee Return ("Return") with the State Board of Equalization for calendar year 2009 up to the date of this Settlement Agreement to ensure that it has fully paid all amounts owed, including any interest and/or penalty payments. NAJC shall provide to City copies of all such returns and updated returns within three (3) business days of such filing(s) with the State Board of Equalization. In addition, during the term of this Settlement Agreement, NAJC shall file such Return and pay all required sums to the State Board of Equalization in a timely manner, and provide copies of such return and evidence of payment to City within three (3) business days of such filing. Failure to comply with the provisions of this shall constitute a default of this Settlement Agreement

h. Failure to Comply with Fuel Requirements

NAJC expressly understands and agrees that each of the requirements set forth in this Section 2 are necessary and appropriate during the fire season in order to help protect the public health, safety and welfare. Notwithstanding any provision in the Leases to the contrary, NAJC agrees that the failure to satisfy any of the conditions set forth in this Section 2 shall constitute a default under this Settlement Agreement and shall entitle City to exercise the remedies specified in Section 5 hereof.

Section 3. Payment of Rent

Within ten (10) days of the date of this Settlement Agreement, NAJC shall pay to City, the amount of Sixty-Two Dollars and Ninety-Two Cents (\$62.92), which amount represents the amount of rent not paid to date for the Leases, including bank charges for Non Sufficient Funds. In addition, beginning on March 15, 2010 and no later than the 15th day of each month during the term of this Settlement Agreement, NAJC covenants and agrees that it will pay to City the monthly rent for such month in full and by cashier's check. In the event the fifteenth (15th) day of the month is on a weekend or holiday, rent shall be paid on the next business day. Notwithstanding the foregoing, NAJC shall pay by August 15, 2010 the pro-rated rent for September 1 through September 7, 2010. Notwithstanding any provision in the Leases to the contrary, failure to pay rent on the date specified in this Section 3, shall constitute a default under this Settlement Agreement and shall entitle City to exercise the remedies specified in Section 5 hereof.

Section 4. Term of Settlement Agreement

Unless earlier terminated, this Settlement Agreement supersedes the provisions of Section 2 of the Leases and shall terminate automatically on September 7, 2010. NAJC shall have no right to renew either of the Leases.

Section 5. Default/ Remedies

a. NAJC's failure to satisfy and/or maintain any of the requirements set forth in Sections 2, 3 and 7 of this Settlement Agreement at any time during the term of this Settlement Agreement will constitute an immediate default of this Settlement Agreement and the Leases. Any event of default hereunder shall give City the immediate right to exercise its Remedies as set forth in subsection b., below.

b. NAJC hereby specifically acknowledges and agrees that, notwithstanding any provisions in the Leases to the contrary, City shall have the right to immediately terminate the Leases for any default under this Settlement Agreement, and have the writs of possession executed, and NAJC shall have no opportunity for NAJC to cure any such default. In the event of such default, City shall provide written notice to NAJC specifying such default and the date by which NAJC must surrender the Premises to City, as described in Section 6 herein. Except as provided in Section 6, NAJC shall not be entitled to any reimbursement for any rent, fuel costs or any other expenditures or costs incurred by NAJC under the Leases or this Settlement Agreement. NAJC understands that its agreement to comply with the terms and conditions set forth in this Settlement Agreement is a material inducement for City to enter into this Settlement Agreement. The provisions regarding default and remedies of this Settlement Agreement supersede the provisions of Sections 17, 18 and 19 of the Leases.

Section 6. Surrender of Premises

Upon the earlier to occur of (i) the termination date of this Settlement Agreement, or (ii) 15 calendar days after City has notified NAJC that it is exercising its remedies under this

Settlement Agreement, NAJC shall surrender and deliver the Premises (as defined in the Leases) in as good condition as they were at the date of the Leases, reasonable wear and tear excepted, and all permanent improvements on the Premises shall become the property of City. City agrees that if NAJC surrenders the Premises within the times specified in this Section 6, City shall pay PRJC, within ten (10) business days after the surrender of the Premises, for the amount of Av-Gas and Jet Fuel remaining in the underground storage tanks on the Premises as of the date of surrender. City shall pay PRJC the same price paid by PRJC for such Av-Gas and Jet Fuel. In addition, should the City or any other person elect to purchase equipment located at the Premises to continue operations, the City or any third party may arrange such purchase directly with PRJC and the City agrees to cooperate with such efforts.

If NAJC fails to surrender the Premises within the times specified in this Section 6, NAJC agrees that City shall have the immediate right to have the levying officer execute the writs of possession that have been issued in the Actions. The City shall also have the right to execute the writs of possession if the City seeks monetary damages, attorneys' fees, or any other relief authorized by law, as a result of NAJC's breach of this Settlement Agreement or the Leases.

Section 7. Compliance with Leases

During the term of this Settlement Agreement and except as may be expressly modified by this Settlement Agreement, NAJC shall comply with Sections 4, 6, 7, 8, 9, 10, 11, 12, 13, 15 and 22 of the Leases. NAJC may not mortgage its interest in the Leases or this Settlement Agreement. In the event of any conflict between the provisions of the Leases and this Settlement Agreement, the terms of this Settlement Agreement shall control.

Section 8. Negotiations with Other Fuel Vendors

NAJC hereby expressly acknowledges and agrees that in order for City to ensure that fueling operations at the Airport can be provided without interruption, City intends to solicit bids from and negotiate agreements with other potential Airport fuel vendors to take over fueling service and operations promptly upon the expiration or earlier termination of this Settlement Agreement. In the City's sole discretion, such agreements may include, but are not limited to, agreements to have standby fuel trucks located at the Airport. NAJC agrees that it shall not interfere with or have any right to protest any such efforts on the part of the City and that City shall have the right to bring potential vendors onto the Premises to show them the current fueling operations and equipment. In addition, City agrees that any potential airport fuel vendors or potential fixed base operator concessionaires that agree to provide services at the Airport shall be notified that equipment associated with PRJC is available for purchase upon termination of this Settlement Agreement, subject to mutually acceptable purchase terms.

Section 9. No Further Claims

NAJC hereby acknowledges and agrees that as of the date of execution of this Settlement Agreement by NAJC, NAJC shall have no claim, demand and/or cause of action of any type or nature against the City, or any of its officers, agents and/or employees arising out of

the Leases, and further, that it forever waives and relinquishes any such claim, demand and/or causes of action, known or unknown.

Section 10. General Provisions

a. California Law. This Settlement Agreement shall be construed and governed in accordance with the laws of the State of California.

b. Notices and Demands. All notices or other communications required by this Settlement Agreement shall be in writing, and may be (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by telecopy, or (iv) sent by nationally recognized overnight courier service (e.g. Federal Express), and addressed to the parties at the addresses provided below, subject to the right of either party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been received on the second business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered by telecopy or courier service shall be deemed received upon actual receipt of the same by the party to whom the notice is given.

Notices shall be sent to the parties at the following addresses:

If to NAJC: Paso Robles Jet Center, Inc.
P. O. Box 7003
Paso Robles, CA 93447
Attn: David Weyrich
Email:David.Weyrich@yahoo.com

with a copy to:Paso Robles Jet Center, Inc.
4990 Wing Way
Paso Robles, CA 93446-8522
Attn: Tippi Rabener
Telecopy:(805) 239-8467

If to City: City of Paso Robles
1000 Spring Street
Paso Robles, CA 93446
Attn: Meg Williamson, Assistant City Manager
Telecopy:(805) 237-4032

with a copy to: City of Paso Robles
4912 Wing Way
Paso Robles, CA 93446-8522
Attn: Roger Oxborrow, Airport Services Coordinator
Telecopy:(805) 237-3879

with a copy to: Iris P. Yang
McDonough Holland & Allen PC
500 Capitol Mall, 18th Floor
Sacramento, CA 95814
Telecopy: (916) 444-8334

c. No Waiver. Failure to insist on any occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver by any party of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment by any party of such other right or power at any other time or times.

d. Successors and Assign. The terms, covenants and conditions of this Settlement Agreement shall be binding upon and inure to the benefit of the parties hereto and their voluntary and involuntary successors and assigns.

e. Attorneys' Fees. In the event of an action or proceeding brought by any party to this Settlement Agreement to enforce the terms and conditions of this Settlement Agreement, the prevailing party in any such action or proceeding shall be entitled to recover all attorney's fees and costs reasonably and necessarily incurred therein, including but not limited to in any actions or proceedings in any state, federal, or bankruptcy court.

f. Civil Code Release. The parties acknowledge that they are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The parties acknowledge that they may have sustained damages, losses, costs or expenses that are presently unknown and unsuspected. Nevertheless, the parties acknowledge that this Settlement Agreement has been negotiated and agreed upon in light of this situation, and hereby expressly waive any and all rights which they have under California Civil Code Section 1542 or any other statute or common law principle of similar effect.

g. Legal Representation. The parties affirm that they have been represented by counsel of their own choosing regarding the preparation and negotiation of this Settlement Agreement and the matters and claims set forth herein, and that each of them has read this Settlement Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Settlement Agreement as an inducement to enter into this Settlement Agreement.

h. Entire Agreement. The parties agree that this Settlement Agreement sets forth the final entire agreement between them, and relating to the subject matter and that this document merges and supersedes all prior discussions, agreements, understandings,

representations, and all other communications between them relating to the subject matter of this Settlement Agreement. This Settlement Agreement may not be altered, amended, modified or otherwise changed except in writing duly executed by an authorized representative of each of the parties.

i. Counterparts. This Settlement Agreement may be executed in counterparts, each of which will be deemed an original.

j. Captions. Captions are included herein for ease of reference only. The captions are not intended to affect the meaning of the contents or scope of this Settlement Agreement.

IN WITNESS WHEREOF, this Settlement Agreement is executed and agreed to by the following as of the last date set forth below:

It is so agreed.

[signatures on following page]

"NAJC"

NORTH AMERICAN JET CHARTER,
a California corporation

Date: MARCH 15, 2010

By: David Weyrich
David Weyrich
Title: President

Date: 3-15, 2010

By: Mary Weyrich
Mary Weyrich
Title: Secretary

PASO ROBLES JET CENTER
a California corporation

Date: MARCH 15, 2010

By: David Weyrich
David Weyrich
Title: President

Date: 3-15, 2010

By: Mary Weyrich
Mary Weyrich
Title: Secretary

"CITY"

CITY OF EL PASO DE ROBLES,
a municipal corporation

Date: _____, 2010

By: _____
Duane Picanco
Mayor

Approved as to Form:

Attest:

By: _____
Iris P. Yang
City Attorney

By: _____
Lonnie Dolan
Deputy City Clerk

"NAJC"

NORTH AMERICAN JET CHARTER,
a California corporation

Date: _____, 2010

By: _____
David Weyrich
Title: President

Date: _____, 2010

By: _____
Mary Weyrich
Title: Secretary

PASO ROBLES JET CENTER
a California corporation

Date: _____, 2010

By: _____
David Weyrich
Title: President _____


Date: _____, 2010

By: _____
Mary Weyrich
Title: Secretary

"CITY"

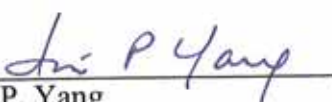
CITY OF EL PASO DE ROBLES,
a municipal corporation

Date: 3-15, 2010

By: 
Duane Picanco
Mayor

Approved as to Form:

Attest:

By: 
Iris P. Yang
City Attorney

By: 
Lonnie Dolan
Deputy City Clerk