



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-1

BOARD MEMO 2023-13

Meeting Date: April 19, 2023

Agenda Title: FOR POSSIBLE ACTION: APPROVE A LEASE AMENDMENT ON THE CARSON CITY AIRPORT (“LEASE”) ENTERED INTO BETWEEN CARSON TAHOE EXECUTIVE (“CTE”), AS TENANT, AND CARSON CITY AND THE CARSON CITY AIRPORT AUTHORITY (“CCAA”), TOGETHER AS LANDLORD, TO ACCOMMODATE THE USE OF A TEMPORARY FUEL STORAGE IN CONJUNCTION WITH CONSTRUCTION OF A PERMANENT BULK FUEL FACILITY, UNDER THE CONDITIONS APPROVED BY THE CCAA.

Staff Summary: The amendment was created to accommodate the approval of a temporary truck-to-truck fuel operation in conjunction with the construction of a permanent bulk fuel facility that was approved at the March 15, 2023 CCAA meeting, and to modify the language to include the fuel flowage fee on the truck-to-truck fuel delivered to the Airport for sale by CTE.

Agenda Action: CONSENT AGENDA Formal Action/Motion

Time Requested: 0 Minutes

Proposed Motion

I move to approve the lease amendment.

CCAA’S Strategic Goal

Economic development; increased airport investment by tenant; adding additional services on the Airport.

Previous Action and Executive Summary

This amendment is made to conform the lease to the CCAA approval of the conditional truck-to-truck transfer from last month’s meeting. As noted at last month’s meeting, the lease permits the construction of and use of a fuel storage facility. It did not address deliveries of fuel and sales from the truck to truck transition proposal that was approved. As a result, the lease is being amended to recognize deliveries and sales from other than a permanent fuel storage facility, inclusion of those deliveries within the fuel flow fee, and reference to the conditions placed on the truck-to-truck transfers included with the approval. The amendment language was developed cooperatively between CTE’s counsel and Airport Counsel.

Financial Information

Is there a fiscal impact?

No Yes

Alternatives

Reject the Amendment and delay the project.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

APN: 005-011-83

When Recorded, Return To:

Corey Jenkins, Airport Manager
2600 E. College Parkway #6
Carson City, NV 89706

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

AMENDMENT TO CARSON CITY AIRPORT LEASE AGREEMENT

THIS AMENDMENT OF AIRPORT LEASE (“Amendment”), made and entered into this ____ day of April, 2023, between CARSON CITY AIRPORT AUTHORITY (“Landlord”), whose address is 2600 E. College Parkway #6, Carson City, Nevada 89706; and CARSON TAHOE EXECUTIVE, LLC., a Nevada limited liability company (“Tenant”), whose address is 3700 Baron Way, Suite 2, Reno, NV 89511, together with the consent of the;

WITNESSETH:

WHEREAS, Tenant, holds an Airport Lease Agreement with Landlord, titled “Carson City Airport Lease Amendment and Restatement”, recorded in the office of the Carson City Recorder on August 6, 2004, as Document #323268 (“Lease”, aka “Airport Lease”; copy attached hereto), covering approximately 43,458 square feet, more particularly described therein (“Leasehold Property”) and which was assigned to Tenant per the Assignment approved by Landlord and recorded on November 18, 2020 as Document No. 513142;

WHEREAS, the Lease permits construction of a bulk fuel storage facility and the provision of line services including sales of aircraft fuel;

WHEREAS, on March 15, 2023, Landlord approved the construction plans provided by Tenant and further approved temporary sales of fuel using a truck to truck transfer and containment plan proposed by Tenant while the bulk fuel storage facility is being constructed.

NOW THEREFORE, in consideration of the foregoing Recitals, the mutual promises contained herein and for other good and valuable consideration, the parties agree as follows:

1. To amend the lease to add additional language within Section 3.C as follows (new language is underlined):

C. To the extent that Tenant elects to sell fuel pursuant to Paragraph 8 of this Lease, Landlord and Tenant will negotiate a fuel flowage fee per gallon as and for the right to sell fuel on the premise, in such location as mutually agreed upon between Landlord and Tenant, such fees to be paid at the time of each delivery of fuel to Tenant's fuel storage facility, such deliveries to include any such temporary fuel storage (truck to truck transfer) arrangement approved by Landlord in conjunction with construction of a permanent bulk fuel facility.

2. To amend the lease to add additional language within the final paragraph of Section 8.A as follows:

Tenant may construct, upon Landlord approval and subject to all conditions set forth by Landlord and other applicable governmental approvals, a permanent fuel storage facility and associated temporary fuel storage facility and/or a temporary fuel distribution process, for Tenant's own use and sale to the public. Any such fuel storage facility and distribution process is subject to and conditioned on satisfying the requirements established by Landlord. For all fuel so stored, Tenant shall pay Landlord a fuel flowage fee to be negotiated. If Tenant supplies fuel, Tenant shall provide appropriate signage upon said fuel storage facility so as to notify pilots, during day and night, of its location and, if applicable, the availability of self service fuel.

3. That the fuel flowage fee per Section 3.C is set as \$0.05 per gallon, such fee to be paid at the time of each delivery of fuel to Tenant's fuel storage facility or such temporary fuel storage facility or distribution process.

4. All other provisions of the lease are unchanged.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the day and year first written above.

LANDLORD:

TENANT:

CARSON CITY AIRPORT AUTHORITY

CARSON TAHOE EXECUTIVE, LLC,
A Nevada Limited Liability Company

By: _____
Michael Golden, Chairman
Date: _____

By: _____
Jeff Pickett, Manager, Sole Member

ATTEST:

By: _____
Brandon Moreno, Manager

By: _____
Jon Rogers, Secretary/Treasurer
Date: _____

Date: 3-24-2023

STATE OF NEVADA)
 : ss
COUNTY OF Washoe)

On this 24 day of March, 2023, before me, the undersigned, a Notary Public, personally appeared JEFF PICKETT as Manager and Sole Member of CARSON TAHOE EXECUTIVE, LLC, and BRANDON MORENO as Manager, known, or proved to me, to be the persons described herein, who executed the foregoing instrument, and they acknowledged to me, that they have the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

Monica Evans

NOTARY PUBLIC
(Signature of Notarial Officer)

(SEAL)



CARSON CITY:

Approved by the Board of Supervisors this ____ day of _____, 2023.

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

WILLIAM SCOTT HOEN, Clerk/Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form



STEVEN E. TACKES, ESQ.

APN: 005-011-83

When Recorded, Return To:

Ken Moen, Airport Manager
2600 E. College Parkway #6
Carson City, NV 89706

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

ASSIGNMENT AND ASSUMPTION OF AIRPORT LEASE

THIS ASSIGNMENT AND ASSUMPTION OF AIRPORT LEASE ("Assignment"), made and entered into this 5th day of November, 2020, between STERLING AIR, LTD, a Nevada corporation. ("Assignor"), whose address is 2640 College Parkway, Carson City, Nevada 89706; and CARSON TAHOE EXECUTIVE, LLC., a Nevada limited liability company ("Assignee"), whose address is 3700 Baron Way, Suite 2, Reno, NV 89511, together with the consent of the CARSON CITY AIRPORT AUTHORITY ("Landlord"), whose address is 2600 E. College Parkway #6, Carson City, Nevada 89706;.

WITNESSETH:

WHEREAS, Assignor, as tenant, holds an Airport Lease Agreement with Landlord, titled "Carson City Airport Lease Amendment and Restatement", recorded in the office of the Carson City Recorder on August 6, 2004, as Document #323268 ("Lease", aka "Airport Lease"; copy attached hereto), covering approximately 43,458 square feet, more particularly described therein ("Leasehold Property");

WHEREAS, the Lease permits assignment only upon Landlord prior consent in pertinent part as follows:

9. ASSIGNMENT AND SUBLEASING. Tenant shall have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any

such assignment or sublease will be binding to assignees/sub lessees on all terms and conditions in this lease.

WHEREAS, Assignor desires to assign its leasehold interest in the Lease to Assignee, and Assignee desires to assume the same.

NOW THEREFORE, in consideration of the foregoing Recitals, the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee covenant and agree as follows:

1. Airport Lease Assignment and Assumption.

(a) Assignor hereby assigns, conveys and transfers to Assignee all of Assignor's right, title and interest under the Airport Lease, as more particularly described therein.

(b) Assignee hereby accepts the foregoing assignment and agrees to assume, perform and discharge, as and when due, all of the covenants and obligations of the Assignor under the Airport Lease which arise after the Effective Date of this Assignment, and agrees to be bound by all of the terms and conditions thereof from and after the Effective Date.

(c) The parties acknowledge that the UNICOM equipment and duties have been transferred to Landlord, and are no longer an obligation of the Tenant.

2. Indemnification

Assignee shall defend, indemnify, hold harmless and release Assignor, its successors and assigns, from and against any and all damage, loss, liability, claim, cost, expense, action and cause of action (including, without limitation, attorneys' fees and the reasonable costs of investigation) (collectively, "Claims") incurred by or asserted against Assignor, its successors and assigns, arising under the Airport Lease and accruing subsequent to the Effective Date of this Assignment.

Assignor shall defend, indemnify, hold harmless and release Assignee, its successors and assigns, from and against any and all Claims incurred by or asserted against Assignee, its successors and assigns, arising under the Airport Lease and accruing prior to the Effective Date of this Assignment.

3. Miscellaneous.

(a) Successors. This Assignment shall be binding upon the heirs, successors, assigns and personal representatives of the parties hereto.

(b) Headings. The captions to the paragraphs are intended for convenient reference only and shall not be used and are not intended to modify, aid, describe or otherwise affect the meaning of the paragraph from that which is indicated by the text of the paragraph alone.

(c) Construction. This Assignment is the product of negotiation and the parties agree that it shall not be construed against the drafter. If any part of this Assignment shall be found to be invalid or unenforceable, the remainder of the Assignment shall be enforceable in accordance with its terms, deleting such unenforceable or invalid provisions.

(d) Entire Agreement. This Assignment constitutes the entire agreement between the parties with regard to the Airport Lease and any prior negotiations, agreements or other writings pertaining to the subject matter of this Assignment are merged herein and extinguished.

(e) Governing Law. This Assignment shall be construed under the laws of Nevada.

(f) Attorney Fees. In the event of any action or proceeding brought by any party against another pertaining to or arising out of this Assignment, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney fees.

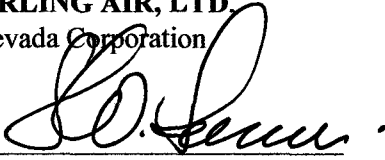
(g) Counterparts. This Assignment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(h) Effective date. This Assignment & Assumption of Lease shall be effective upon recording.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

STERLING AIR, LTD.
A Nevada Corporation

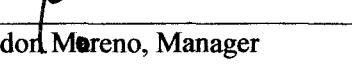
By: 
Steven W. Lewis
Its: President

Date: 12, 2020

ASSIGNEE:

CARSON TAHOE EXECUTIVE, LLC,
A Nevada Limited Liability Company

By: 
Jeff Pickett, Manager, Sole Member


By: 
Brandon Moreno, Manager

Date: 10-23-20

STATE OF NEVADA)
 : SS
CARSON CITY)

On this 12 day of October, 2020, before me, the undersigned, a Notary Public, personally appeared STEVEN W. LEWIS, president of STERLING AIR, LTD, known, or proved to me, to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.



NOTARY PUBLIC
(Signature of Notarial Officer)

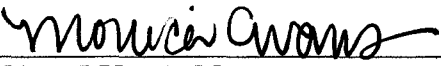
(SEAL)



STATE OF NEVADA)
 : SS
COUNTY OF Washoe)

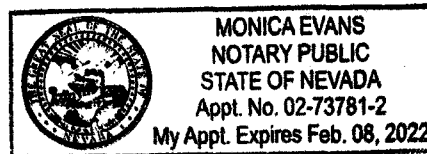
On this 20th day of October, 2020, before me, the undersigned, a Notary Public, personally appeared JEFF PICKETT as Manager and Sole Member of CARSON TAHOE EXECUTIVE, LLC, and BRANDON MORENO as Manager, known, or proved to me, to be the persons described herein, who executed the foregoing instrument, and they acknowledged to me, that they have the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.



NOTARY PUBLIC
(Signature of Notarial Officer)

(SEAL)




[Landlord and Board of Supervisors approvals on following page]

CARSON CITY AIRPORT AUTHORITY:

Approved this 27th day of OCTOBER, 2020 pursuant to Notice, meeting and vote:


MICHAEL GOLDEN, Chairman
CARSON CITY AIRPORT AUTHORITY

ATTEST:

JON ROGERS, Secretary-Treasurer

CARSON CITY:

Approved by the Board of Supervisors this 5th day of NOVEMBER, 2020.


BRAD BONKOWSKI, Mayor Pro Tempore

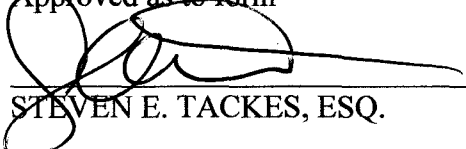
ATTEST:


AUBREY ROWLATT, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.