



CCAA BOARD MEMO

Agenda Item: H-3

BOARD MEMO 2023-27

Meeting Date: September 20, 2023

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: APPROVE KCXP INVESTMENTS, LLC SUBLEASE TO CARSON TAHOE EXECUTIVE, LLC.

Staff Summary: KCXP Investments, LLC would like to sublease their entire parcel (APN 005-021-04) to Carson Tahoe Executive.

Agenda Action: Formal Action/Motion

Time Requested: 10 Minutes

Proposed Action

I move to approve the KCXP Investments, LLC sub-lease to Carson Tahoe Executive, LLC.

CCAA'S Strategic Goal

Support economic activity in the region.

Previous Action and Executive Summary

The KCXP Investments, LLC. lease, and the amended language adopted in 2008 to allow for assignment to a hangar owners association, both state:

“Tenant shall have no other right to assign or sublet its interest in this lease except upon Landlord’s prior consent.”

The Authority has historically interpreted this language on subletting to mean that the sublet of the entire leasehold requires Authority approval. That said, the Authority has also taken the view that, where the lease is authorized as an FBO for the storage of aircraft (as is the case with this lease), that the leaseholder can lease individual hangars or space in hangars without coming back to the Landlord (the

Authority) on each sublease. Since this sublease is for the entire leasehold, the sublease requires Landlord approval, i.e. approval by the Authority and the City.

Staff has reviewed the sublease and has no objection.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount:

General Fund/ Federal Share:

Is it currently budgeted?

Alternatives

Do not approve the sublease.

Approve the sublease with changes.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

APN: 005-021-04

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Carson Tahoe Executive, LLC
3700 Barron Way, Suite 2
Reno, NV 89511

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

JET RANCH SUBLEASE

THIS "AGREEMENT" made and entered into this 2nd day of August, 2023, by and between KCXP INVESTMENTS, LLC ("Sublessor") and CARSON TAHOE EXECUTIVE, LLC ("Sublessee") for the lease of Sublessor's property at the Carson City Airport in the State of Nevada.

WHEREAS, the Carson City Airport Authority owns and operates an airport known as the Carson City Airport, and pursuant to that certain Carson City Airport Lease Agreement between Sublessor and the Carson City Airport Authority dated August 17, 2005 (recorded September 2, 2005 as Document No. 342199) and the Amendment dated April 25, 2008 (recorded April 25, 2008) collectively referred to as the "Lease", Sublessor leases the real property at the Carson City Airport as set forth in Exhibit "A" and the appurtenant rights set forth in Section 8 of the Lease; and

WHEREAS, Sublessor is desirous of subleasing to Sublessee, the real property as identified in Section 1 of the Lease and all existing structures thereon for the operation of certain hangars at the Premises; and

WHEREAS, Sublessee may engage in any or all permitted activities and appurtenant rights set forth in Section 8 of the Lease.

NOW, THEREFORE, for and in consideration of the payment, rents and covenants of this Agreement, the Sublessee leases from Sublessor the following premises, rights and easements on and to the Carson City Airport upon the following terms and conditions:

1. **Property Description**. Sublessor subleases to Sublessee and Sublessee subleases from Sublessor the real property and all structures located at the Carson City Airport in Exhibit "A" and Section 1 of the Lease (the "Premises"), including the office, hangar and ramp space located thereon, and the appurtenant rights included in Paragraph 8 herein.

2. **Due Diligence Period**. Sublessee shall have 30 days from the execution of this Agreement to perform all due diligence on the Premises ("Due Diligence Period"). Sublessee and its permittees have the right to enter upon the Premises to conduct and perform any inspections, studies, feasibility studies, any and all record searches of the Premises required or deemed necessary or appropriate by Sublessee

for its use of the Premises, including access to current lease agreement for aircraft storage. Sublessor agrees to provide reasonable access to the Premises to Sublessee and its agents or permittees as well as deliver to Sublessee, without delay, all requested and necessary documents, including current lease agreements for aircraft storage, to allow Sublessee to perform its feasibility studies and analysis. Prior to the end of the Due Diligence Period, Sublessee may terminate this Agreement for any reason or no reason by providing written notice (email accepted) to Sublessor of Sublessee's intent to terminate.

3. **Start Date.** The commencement of this Agreement ("Start Date") will be the earlier of either the first day (1st) or the fifteenth day (15th) of the month immediately following the later of either (i) the expiration of the Due Diligence Period or (ii) the approval by the Carson City Airport Authority of this Sublease Agreement. Meaning, this Agreement will begin on either the 1st or 15th of any month upon the conclusion of both the Due Diligence Period and approval by the Carson City Airport Authority.

4. **Conditions to Commencement.** The commencement of this Agreement is conditioned upon:

- a. The Sublessee's satisfaction of all inspections, test, studies and search of all records pertaining to the Premises during the Due Diligence Period;
- b. Approval by the Carson City Airport Authority of this Sublease Agreement and Carson Tahoe Executive, LLC as the sublessee hereunder;

5. **Term.** The initial term of this Agreement shall be for 15 months consisting of two periods: a probationary period consisting of 3 months (the "Probationary Period") and a standard period consisting of 12 months (the "Standard Period"). The term will begin from the Start Date and end on the last day of the fifteenth month following the Start Date. The parties may agree to extend the Term upon written mutual consent, the Sublessee must notify the Sublessor in writing 90 days prior to the expiration of the Term of its desire to extend the Term of this Agreement.

6. **Rent.** Sublessee agrees to pay to Sublessor for the use of the Premises, rights and easements a monthly rental rate of [REDACTED] due each month.

7. **Deposit.** Sublessee will pay a security deposit of [REDACTED] in addition to the first rental payment on or before the Start Date. Upon conclusion or termination of this Agreement, the security deposit shall either, at Sublessee's discretion, be applied to the final two month's rent upon notice of termination or be returned to Sublessee within 10 days of the expiration or termination of this Agreement. The security deposit shall be held by Sublessor without interest accruing during the term of this Agreement.

8. **Insurance.**

a. **Coverage.** Sublessee shall provide, at its own cost, insurance coverage as set forth below and with a responsible insurance carrier, authorized by the State of Nevada to provide such coverage with Best rating of at least A- VIII. The following coverage shall be included:

i. **Commercial General Liability.** Sublessee shall maintain Commercial General Liability Insurance with limits of liability not less than One Million Dollars (\$1,000,000) each occurrence, including coverage for, without limitation, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury and Cross Liability.

ii. Hangarkeeper's Liability. Sublessee shall maintain Hangarkeeper's Liability Insurance providing coverage for property damage to aircraft that are the property of others while in the care, custody, or control of the Sublessee (when such aircraft are not in flight), in an amount not less than One Million Dollars (\$1,000,000) each aircraft and One Million Dollars (\$1,000,000) each occurrence.

b. Insured. Sublessee shall include the Carson City Airport Authority, Carson City and Sublessor as additional insureds, and hereby require that the insurance carrier underwriting such coverage give the Carson City Airport Authority and Sublessor thirty (30) days written notice prior to cancellation of or material alteration to the policy. Sublessee shall provide the Carson City Airport Authority and Sublessor with a Certificate of Insurance evidencing the coverage in effect, including limits and expiration date. Such policy or policies shall be maintained in full force and effect during the term of this Agreement, and renewals or extensions of same. The Carson City Airport Authority, and Carson City and Sublessor reserve the right, each year, to review and adjust the amount of insurance coverage required.

c. Original Coverages. Sublessor shall continue to be obligated to maintain the following insurance coverages:

- i. Property damage. Fire and extended coverage and vandalism and malicious mischief insurance, as provided by the lease Agreements, for damage or destruction of real property or leasehold improvements, where the Landlord has, or will have, an interest in such property by virtue of an existing lease.
- ii. Products liability coverage in addition to any comprehensive general liability insurance where the licensee operates a food service or offers goods or merchandise for sale, as applicable;
- iii. Statutory workers compensation and employer's liability coverage to the extent required by law.

9. Sublessee Rights and Obligations. Sublessee may use the Premises primarily for any or all permitted activities at the Carson City Airport as permitted under the Lease. Sublessee agrees to comply with the terms, conditions and obligations of the Lease. Sublessee agrees to comply with the terms, conditions, and obligation of all existing leases the Sublessor currently has with existing tenants and shall not terminate any existing lease before the end of its respective term..

10. Air Space and Subsurface Rights. This Agreement confers no rights to the subsurface of the land more than five (5) feet below the ground level of the Premises or to airspace more than ten (10) feet above the top of the roof of the building or buildings that is a part of the Premises. All exemptions or applications must have the prior approval of the Carson City Airport Authority.

11. Maintenance and Utilities. Sublessee shall provide and pay for all common utilities and services including gas, electric, water, janitorial, and sewer charges used or incurred in or about the Premises. Sublessee's responsibility shall be limited to the variable day-to-day maintenance of the Premises. Sublessee shall not be required to perform any leasehold improvements or tenant improvements to the Premises. If Sublessee elects to make any leasehold improvements or tenant improvements Sublessee must obtain written approval from Sublessor, which approval will not be unreasonably withheld, prior to commencing any such improvements to the Premises. Sublessee shall obtain permits for any and all approved leasehold or tenant improvements, where required. Sublessor shall maintain responsibility for the primary maintenance and any

reasonable repairs required that are not as a result of the willful misconduct of Sublessee or agents, including all maintenance of a capital expense nature to any buildings, structures and improvements subleased to Sublessee as part of the Premises and including all surrounding areas, including, but not limited to any taxiways, aprons or other common areas contained on the Premises. Sublessee accepts Premises in current condition and Sublessor shall not be responsible for any buildout or addition to any part of the Premises.

12. **Aircraft Tug and GPU.** During the Term of the sublease, Sublessee shall have exclusive access and use to all aircraft power towing equipment and power sources currently located on the Premises, including any Tug and ground power unit. Sublessor shall not sale, dispose or remove any such equipment from the Premises or interfere with Sublessee's use of such equipment for the Term of the sublease. Sublessee will use any Tug or aircraft power towing equipment in a reasonable and normal workmanlike fashion but neither Sublessee nor Sublessor has any obligation to repair, maintain or replace such equipment. Neither Sublessee nor Sublessor provides any guarantee as to the life cycle or operability of the Tug or any aircraft power towing equipment.

13. **Tax Obligations.** Sublessor shall pay all taxes and assessments against any buildings or other structures and current improvements on the Premises, and if imposed at any future date, any and all real property taxes assessed against the land leased, including any possessory interest taxes.

14. **Right to Inspect.** The Carson City Airport Authority, or its designated Airport Manager or agent, reserves the right to enter upon the Premises at any reasonable time for the purpose of making any inspection deemed expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of the Lease. Sublessor, or its designated agent, reserves the right to enter upon the Premises at any reasonable time for the purpose of making any inspection deemed expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of this Agreement.

15. **Federal Requirements.**

a. Sublessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration, does covenant and agree as a covenant running with the land that sublessee shall comply with all Federal Aviation Regulations (FARs) applicable to Sublessee's operations on the Premises.

b. Sublessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration covenants and agrees as a covenant running with the land that: 1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the facilities; 2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

c. Sublessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulation may be amended.

d. Sublessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users and it must charge fair, reasonable, and not unjustly

discriminatory prices for each unit or service; PROVIDED that Sublessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

e. Noncompliance with subparagraphs d. above shall constitute a material breach of this Agreement and in the event of such noncompliance, the Carson City Airport Authority and/or Sublessor shall have the right to terminate this Agreement without liability or at the election of the Carson City Airport Authority or the United States; either or both governments shall have the right to judicially enforce these provisions.

f. Sublessee agrees that it shall insert the above five subparagraphs in any lease Agreement by which Sublessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Premises.

g. Sublessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Sublessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Sublessee assures that it will require that its covered suborganization provide assurance to Sublessee that they similarly will require assurance from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.

h. The Carson City Airport Authority reserves the right to further develop or improve the landing area of the Carson City Airport as it sees fit, regardless of the desires or view of Sublessee and without interference or hindrance.

i. The Carson City Airport Authority reserves the right, but shall not be obligated to Sublessee, to maintain and keep in repair the landing area of the Carson City Airport and all publicly owned facilities of the Carson City Airport, together with the right to direct and control all activities of Sublessee in this regard.

j. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Carson City Airport Authority and the United States, relative to the development, operation, or maintenance of the Carson City Airport.

k. The Carson City Airport Authority, its successors and assigns, for the use and benefit of the public, does reserve a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation of the Carson City Airport.

l. Sublessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

m. Sublessee by accepting this Agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises to a height more than ten (10) feet above the highest part of Sublessee's

building. In the event this covenant is breached, the Carson City Airport Authority reserves the right to enter upon the Premises to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Sublessee.

n. Sublessee, by accepting this Agreement, agrees for itself, its successors and assigns, that it will not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from Carson City Airport or otherwise constitutes a hazard. In the event this covenant is breached, the Carson City Airport Authority reserves the right to enter upon the Premises and to abate the interference at the expense of Sublessee.

o. It is understood and agreed that nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

p. Sublessee assures complete compliance with the Carson City Airport Rules and Regulations upon the Premises.

16. **Environmental.** Sublessee will conduct its business and operation in the Premises in compliance with all Environmental Laws and Permits. Sublessee will forthwith notify Sublessor and the Carson City Airport Authority of the occurrence of any of the following and will provide Sublessor and the Carson City Airport Authority with copies of all relevant documentation in connection therewith:

- a. a release of a Hazardous Substance in or about the Premises except in strict compliance with Environmental Laws and any applicable Permits;
- b. the receipt by Sublessee of an Environmental Notice; or
- c. the receipt by Sublessee of information that indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environment by anyone in or about the Premises in a manner other than that authorized under Environmental Laws.

Sublessee will not permit the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in or about the Premises, except in compliance with applicable Environmental Laws. If Sublessor or the Carson City Airport Authority receives information that Hazardous Substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands as defined in the Lease in a manner other than that authorized under Environmental Laws, Sublessee will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by Sublessor or the Carson City Airport Authority to determine the existence of Hazardous Substances in or about the Premises and/or Lands as defined in the Lease. If Sublessee does not complete the Investigations to the satisfaction of Sublessor or the Carson City Airport Authority, Sublessor or the Carson City Airport Authority may enter on the Premises and take any actions necessary to complete the Investigations, the cost of which actions will be borne by Sublessee as additional rent. If remedial work is required due to the presence of Hazardous Substances on or in the Premises and/or Lands as defined in the Lease, Sublessee will take all necessary action, at the cost of Sublessee, to restore the Premises and/or Lands as defined in the Lease to a level acceptable to the Carson City Airport Authority and to all governmental authorities having jurisdiction. Upon the request of the Carson City Airport Authority, from time to time, Sublessee will provide to the Carson City Airport Authority satisfactory documentary evidence that all environmental permits are valid and in good standing.

Environmental Indemnity. Sublessee will indemnify and save harmless Sublessor, the Carson

City Airport Authority, Carson City, their officers, directors, employees, agents and shareholders, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against Sublessor or the Carson City Airport Authority, its officers, directors, employees, agents and shareholders, and Carson City arising, directly or indirectly, out of:

- a. a breach by Sublessee of any of the covenants contained in this Paragraph;
- b. the presence of or release of any Hazardous Substance on the Premises and/or the Lands on or off-site of such during the Term of this Agreement;
- c. any action taken by Sublessor or the Carson City Airport Authority with respect to the existence of any Hazardous Substance on the Premises and/or Lands during the Term of this Agreement; or
- d. any action taken by Sublessor or the Carson City Airport Authority in compliance with any Environmental Notice with respect to the existence of any Hazardous Substance on the Premises and/or Lands or off-site of such during the Term of this Agreement; and such indemnity will survive the expiration or any termination of this Agreement notwithstanding anything in this Agreement to the contrary.

17. **Hold Harmless.**

a. **By Sublessee.** Sublessee agrees that at all times during the term of this Agreement, Sublessee shall indemnify and defend, saving harmless Sublessor, the Carson City Airport Authority, Carson City, their officers, boards, commissions, agents, and employees from any and all claims by any person whatsoever on account of property damage, injury, or death of a person or persons acting on behalf of, or upon the request of, Sublessee during the term of this Agreement. Sublessee further agrees to indemnify Sublessor, the Carson City Airport Authority, Carson City from environmental liability for contamination or damage to the Premises and any adjacent area to the Premises related or connected with the occupation or use of the Premises by Sublessee. Sublessor, the Carson City Airport Authority, Carson City, their officers' boards, commissions, agents, and employees shall be held harmless in all respect for any cost, expense, or liability of any nature which may be incurred by Sublessee during the term of this Agreement.

b. **By Sublessor.** Sublessor agrees to indemnify Sublessee and their officers' boards, commissions, agents, and employees from environmental liability for contamination or damage to the Premises and any adjacent area to the Premises related or connected with the occupation or use of the Premises by Sublessor before the effective date of this Agreement, and Sublessee and their officers' boards, commissions, agents, and employees shall be held harmless in all respect for any cost, expense, or liability of any nature which may be incurred as a result thereof.

18. **Default.** The occurrence of any of the following shall constitute a default by Sublessee:

a. Failure to pay rent when due, if the failure continues for ten (10) days after notice has been given to Sublessee.

b. Abandonment and vacation of the Premises (failure to occupy and operate the Premises for thirty (30) consecutive days shall be deemed an abandonment and vacation.

c. Failure to perform any other provision of this Agreement which is not contained in the Lease, if the failure to perform is not cured within forty-five (45) days after notice has been given to Sublessee. If Sublessee can demonstrate to the satisfaction of Sublessor the default cannot reasonably be cured within forty-five (45) days, Sublessee shall not be in default of this Agreement if Sublessee commences to cure the default within the forty-five (45) day period and diligently and in good faith continues to cure the default.

d. Failure to perform any provision of this Agreement which is also contained in the Lease, if the failure to perform is not cured within forty-five (45) days after notice has been given to Sublessee. If Sublessee can demonstrate to the satisfaction of Sublessor and the Carson City Airport Authority the default cannot reasonably to be cured within forty-five (45) days, Sublessee shall not be in default of this Agreement if Sublessee commences to cure the default within the forty-five (45) day period and diligently and in good faith continues to cure the default.

e. Filing a petition of voluntary or involuntary bankruptcy.

f. The making by Sublessee of any general assignment for the benefit of creditors.

g. Violation of any of these standards, rules, and regulations, or failure to maintain current licenses required for the permitted operation.

19. **Remedies.** Sublessor shall have the following remedies if Sublessee commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law.

a. Sublessee's right to possession not terminated. Sublessor can continue this Agreement in full force and effect, and the Agreement will continue in effect as long as Sublessor does not terminate Sublessee's right to possession, and Sublessor shall have the right to collect rent when due. During the period Sublessee is in default, Sublessor can enter the Premises and relet them, or any part of them, to third parties for Sublessee's account. Sublessee shall be liable immediately to Sublessor for all costs Sublessor incurs in reletting the Premises. Reletting can be for a period shorter or longer than the remaining term of this Agreement. Sublessee shall pay to Sublessor the rent due under this Agreement on the dates the rent is due, less the rent Sublessor receives from any reletting. If Sublessor elects to relet the Premises as provided in this paragraph, rent that Sublessor receives from reletting shall be applied to the payment of: First, any indebtedness from Sublessee to Sublessor other than rent due from Sublessee; Second, all costs, including maintenance, incurred by Sublessor in reletting; Third, rent due and unpaid under this Agreement, after deducting the payments referred to in this paragraph, any sum remaining from the rent Sublessor received from reletting shall be held by Sublessor and applied in payment of future rent as rent becomes due under this Agreement. In no event shall Sublessee be entitled to any excess rent received by Sublessor. If, on the date rent is due under this Agreement, the rent received from reletting is less than the rent due on the date, Sublessee shall pay to Sublessor, in addition to the remaining rent due, all costs including for maintenance Sublessor incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

b. Termination of Sublessee's right to possession. Sublessor can terminate Sublessee's right to possession of the Premises at any time after default. No act by Sublessor other than giving notice to Sublessee shall terminate this Agreement. Acts of maintenance, efforts to relet the

Premises, or the appointment of a receiver on Sublessor's initiative to protect Sublessor's interest under this Agreement shall not constitute a termination of Sublessee's right to possession. On termination, Sublessor has the right to recover from Sublessee the unpaid rent that had been earned at the time of termination of this Agreement, and any other amount, and court costs, necessary to compensate Sublessor for all detriment proximately caused by Sublessee's default.

20. **Termination by Sublessee.** During the Probationary Period, Sublessee may give notice to Sublessor that Sublessee is canceling this Agreement and terminating all or any of its obligations hereunder at any time for any reason or no reason. If terminated during the Probationary Period, the Agreement will terminate on the last day of the month in which notice was provided to Sublessor. During the Standard Period, Sublessee may cancel this Agreement and terminate all or any of its obligations hereunder, upon written notice to Sublessor, at any time that Sublessee is not in default in the payment of any rentals, fees, or charges to Sublessor, by providing a 90-day written notice to Sublessor. In addition, Sublessee may cancel this Agreement and terminate all or any of its obligations hereunder, upon written notice to Sublessor by giving 10-days written notice to Sublessor upon or after the happening of any of the following events and Sublessor has not cured such event:

a. The substantial restriction of, or interference with, Sublessee's use of the Carson City Airport provided that such restriction or interference is not due to any fault of Sublessee;

b. The default by Sublessor in the performance of any term or terms of this Agreement and the failure of Sublessor to remedy such default after the receipt from Sublessee of written notice to remedy the same.

c. The default by the Carson City Airport Authority in the performance of any term or terms of the Lease with Sublessor and the failure of the Carson City Airport Authority to remedy such default after the receipt from Sublessor of written notice to remedy the same and the right of termination of the Lease by Sublessor.

d. Significant damage to Premises, which, in Sublessee's sole reasonable judgment, is uneconomical to restore.

21. **Reporting.** Anything that affects the safe and efficient operation of the Carson City Airport shall be immediately reported to the Carson City Airport Authority or the designated Airport Manager. Nothing contained herein shall give the Sublessor the right to audit the books and records of Sublessee.

22. **Representations and Warranties of Sublessor to Sublessee.** Sublessor represents and warrants to Sublessee that:

a. Sublessor has full power and authority to enter into this Agreement.

b. Sublessor has duly executed and delivered this Agreement.

c. This Agreement constitutes the legal, valid and binding obligation of Sublessor enforceable against Sublessor in accordance with its terms.

d. The Lease or the Premises is not subject to any deed of trust or as security for any loan or other financial obligation.

e. This Agreement is conditioned on and is the obligation of Sublessor to secure the consent of the Carson City Airport Authority to this Agreement.

f. All requisite action required to be taken by Sublessor to authorize the execution, delivery and performance of this Agreement has been taken and no other proceedings or actions on the part of Sublessor are necessary to authorize the execution, delivery and performance of this Agreement.

g. The Lease is in full force and effect and neither the Carson City Airport Authority nor the Sublessor are in default under said Lease.

23. **Quiet Enjoyment.** So long as Sublessee conducts its business in a fair, reasonable and workmanlike manner, Sublessee shall peaceably have and enjoy the Premises, and all the rights and privileges granted.

24. **Amendments.** Any amendments to this Agreement require approval by the Sublessor, the Carson City Airport Authority, Carson City, and Sublessee. All proposed amendments must be submitted in writing to the Carson City Airport Authority for review and placement before a regularly scheduled meeting of the Carson City Airport Authority for consideration.

25. **General.** It is understood and agreed that each and all the terms of this Agreement are subject to the regulations and provisions of law applicable to the operation of the Carson City Airport as a Federal Aid Airport Project. If any provision of this Agreement is invalid, the other provisions of the Agreement, which are valid, shall remain in effect, and the Agreement will be re-negotiated to comply with the requirements of the applicable laws and regulations. In the event that negotiation attempts are unsuccessful, either party may petition the First Judicial District Court of Nevada, which shall then be entitled to establish such replacement provisions or issue such rulings as are just for the purpose of satisfying the intent of the Agreement provisions. Sublessee agrees to observe and obey during the terms of this Agreement all laws, rules, and regulations promulgated and enforced by the State of Nevada, Carson City, and the Carson City Airport Authority and by any other proper authority having jurisdiction over the conduct of operations at the Carson Airport. The Carson City Airport Authority and the Carson City Sheriff's Office shall have complete dominion over the Premises herein during the term of this Agreement for the purpose of, and to the extent necessary, to maintain law, order, and safety, and has the authority and the right to deny access to the Carson Airport by any person who fails to obey all relevant laws, rules, and regulations.

26. **Notices.** It is agreed that any notice to be given or served upon Sublessor, Sublessee and the Carson City Airport Authority shall be sufficient if sent by certified mail, postage prepaid, addressed to the address of record for said party, or to such other address as may be designated in writing by such party.

27. **Independent Contractor.** In conducting its business hereunder, Sublessee acts as an independent contractor and not as an agent of Sublessor or the Carson City Airport Authority. The selection, retention, assignment, direction, and responsibility, of and for employees of Sublessee shall be the sole responsibility of Sublessee and neither Sublessor nor the Carson City Airport Authority shall attempt to exercise control over the daily performance of duties by Sublessee's employees.

28. **Subordination Provision.** This Agreement shall be subordinate to the provisions of any existing or future agreement between Sublessor and the Carson City Airport Authority, the United States or the State of Nevada, relative to the operation or maintenance of the Carson City Airport, the execution of which has been or may be required as a condition precedent to the expenditure of

federal or state funds for the development of the airport. Furthermore, this Agreement may be amended to include provisions required by those agreements with the United States or the State of Nevada.

29. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties and supersedes all prior and independent agreements between the parties covering the subject matter hereof and the Premises. Any provisions of prior agreements which conflict in any manner with the provisions of this Agreement are hereby specifically declared void and of no effect.

30. **Severability.** In the event any provisions hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the remaining provisions shall continue in full force and effect as nearly as possible in accordance with the original intent of the parties.


31. **Headings.** The headings used in this Agreement are intended for convenience of reference only and do not define, expand, or limit the scope or meaning of any provisions of this Agreement.

32. **Governing Law.** This Agreement is to be construed in accordance with the laws of the State of Nevada.

33. **Approvals; Consents.** Notwithstanding anything to the contrary contained in this Agreement, whenever the consent or approval of Sublessor is required with respect to any act or omission of Sublessee such consent or approval shall not be unreasonably withheld.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Agreement is made and entered into as of the date first set forth above.

<p>SUBLESSOR:</p>	<p>SUBLESSEE:</p>
<p>KCXP INVESTMENTS, LLC, a Delaware limited liability company</p>	<p>CARSON TAHOE EXECUTIVE, LLC, a Nevada limited liability company</p>
<p>DocuSigned by:  By: _____ Name: Bradley J. Busbin Title: Manager</p>	<p>By: _____ Name: _____ Title: _____</p>
<p>By: _____ Name: Tom Gonzales</p>	
<p>CONSENTED TO AND AGREED BY:</p> <p>CHAIRMAN OF THE CARSON CITY AIRPORT AUTHORITY</p> <p>By: _____ Name: _____ Title: _____</p> <p>AIRPORT MANAGER:</p> <p>By: _____ Name: _____ Title: _____</p>	

STATE OF NEVADA

COUNTY OF WASHOE

This instrument was acknowledged before me on _____, 2023, by
_____ as Manager of KCXP Investments, LLC.

Notary Public
My Commission Expires: _____

STATE OF NEVADA

COUNTY OF WASHOE

This instrument was acknowledged before me on _____, 2023, by
_____ as Manager of Carson Tahoe Executive, LLC.

Notary Public
My Commission Expires: _____

CARSON CITY

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

By: _____
Mayor Lori Bagwell

ATTEST:

William Scott Hoen, Clerk Recorder

Approved to as to form.

Steven E. Tackes, Esq., Airport Authority Counsel

Approved to as to form.

DISTRICT ATTORNEY

APN

None

Airport Lots

207,208 & 209

RECORDED AT THE
REQUEST OF

CARSON CITY CLERK TO
THE BOARD

2005 SEP -2 PM 3:04

FILE NO. 342199

ALAN GLOVER
CARSON CITY RECORDER

FEES 11.00

FOR RECORDER'S USE ONLY

TITLE OF DOCUMENT:

Carson City Airport Lease
Agreement with XCP
Investments, L.L.C.

WHEN RECORDED MAIL TO:

342199

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 17th day of August, 2005, between the Carson City Airport Authority (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and KCXP Investments LLC., a Delaware LLC., (Tenant), whose address is 134 Lakes Blvd, Dayton, NV 89403.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to enter into a lease as regards certain ground space for construction of one or more hangars pursuant to the provisions of Title 19 of the Carson City Municipal Code; and

WHEREAS, the parties desire to establish such lease in a manner consistent with the Airport Master Plan and Carson City Municipal Code, so as to lease Tenant ground space consistent with uses desired by Landlord and to provide economic activity and monetary support to the Carson City Airport; and

THEREFORE, Landlord and Tenant agree as follows:

1. **PREMISES.** Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport identified as lots 207, 208 and 209 as set forth on the Record of Survey Map recorded February 29, 1996, reconfigured as single lot 207, and as fully described on Exhibit A ("Legal Description") to this lease (premises), and the appurtenant rights included in Paragraph 8.

2. **TERM.** The term shall be fifty (50) years from the date of execution hereunder.

3. **RENT.**

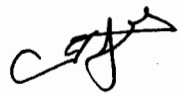
The parties acknowledge that the lease is fully paid as a result of the transfer to Carson City on behalf of Landlord of the 1.19 acre parcel identified by the parties as the land exchanged for the lease.

4. **CPI ADJUSTMENT.** Not applicable as it was included in the calculation of value in the land exchange.

5. **IMPROVEMENTS.** Tenant shall commence construction of the subject improvement within one (1) year of date of execution of this lease.

6. **DEFAULT.** The occurrence of any of the following shall constitute a default by Tenant:

342199



A. Failure to pay fees, other than rent, when due, if the failure continues for ten (10) days after notice has been given to Tenant.

B. (not applicable).

C. Failure to perform any other provision of this lease including the construction requirements, if the failure to perform is not cured within thirty (30) days after notice has been given to Tenant. If Tenant can demonstrate to the satisfaction of Landlord the default cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this lease if Tenant commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

D. Filing a petition of voluntary or involuntary bankruptcy.

E. The making by the tenant of any general assignment for the benefit of creditors.

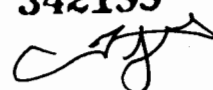
F. Violation of any of these standards, rules, and regulations, or failure to maintain current licenses required for the permitted operation.

Notices given under this paragraph must specify the alleged default and the applicable lease provisions, and must demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, within the applicable period of time, or quit the premises. No such notice will be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice.

7. REMEDIES. Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law.

A. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate tenant's right to possession, and Landlord shall have the right to collect rent when due.

B. Termination of Tenant's right to possession. Landlord can terminate Tenant's right to possession of the premises at any time after default. No act by Landlord other than giving notice to Tenant shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant the unpaid rent that had been earned at the time of termination of this lease,



and any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily for the storage of aircraft; machinery, parts and tools associated with the stored aircraft; office space associated with the stored aircraft, and is expressly prohibited from conducting any activity at the Carson City Airport other than that provided by this Agreement or as may be approved by Landlord. Tenant is, by this lease, an authorized FBO for the inside storage of aircraft, and shall comply with the provisions of Title 19 applicable to the public provision of aircraft storage for multiple aircraft hangars. Tenant shall not perform any salvage, rehabilitation, maintenance, construction or reconstruction, commercial, or industrial operations for any aeronautical uses, vehicles, and equipment except for aircraft owned by Tenant unless authorized by Landlord. Except as specified in this Lease, Tenant is prohibited from any other fixed base operations which are revenue producing in or on or from Tenant's facility. Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the taxiway area between premises and runway. Tenant shall be responsible for, and control the access to, the premises. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, or access plans.

C. Right of Entry. Landlord, or its designated Airport Manager or agent, reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection deemed expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of this Agreement.

D. Air Space and Subsurface Rights. This lease confers no rights to the subsurface of the land more than five (5) feet below the ground level of the premises or to airspace more than ten (10) feet above the top of the roof of the building or

342199



buildings that is a part of the premises. All exemptions or applications must have the prior approval of Landlord.

E. Federal Requirements.

1. The Tenant for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration, does covenant and agree as a covenant running with the land that Tenant shall comply with all Federal Aviation Regulations (FARs) applicable to Tenant's operations on the premises.

2. The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration covenants and agrees as a covenant running with the land that: 1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the facilities; 2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

3. Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulation may be amended.

4. Tenant shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users and it must charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; PROVIDED that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach of this Agreement and in the event of such noncompliance, the

342199



Landlord shall have the right to terminate this lease Agreement without liability or at the election of the Landlord or the United States; either or both governments shall have the right to judicially enforce these provisions.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement by which the Tenant grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the leased premises.

7. If the conduct of business is permitted on the premises, the Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart.

8. The Landlord reserves the right to further develop or improve the landing area of the Carson City Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. The Landlord reserves the right, but shall not be obligated to the Tenant, 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 Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Landlord and the United States, relative to the development, operation, or maintenance of the Airport.

11. The Landlord, its successors and assigns, for the use and benefit of the public, does reserve a right of flight for the passage of aircraft in the airspace above the surface of the lease premises. This public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation of the Carson City Airport.

342199



12. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.

13. The Tenant by accepting this expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the leased premises to a height more than ten (10) feet above the highest part of Tenant's building. In the event this covenant is breached, the Landlord reserves the right to enter upon the premises to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Tenant.

14. The Tenant, by accepting this lease, agrees for itself, its successors and assigns, that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from Carson City Airport or otherwise constitutes a hazard. In the event this covenant is breached, the Landlord reserves the right to enter upon the premises and to abate the interference at the expense of the Tenant.

15. It is understood and agreed that nothing contained in this lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

F. Tenant assures complete compliance with the Carson City Airport Rules and Regulations upon leased premises.

9. ASSIGNMENT AND SUBLEASING. Tenant shall have no other 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/sublessees on all terms and conditions in this lease.

Tenant shall have the right to assign, pledge, or hypothecate this lease for the purpose of securing additional financing, upon the prior approval of Landlord.

The parties agree that a transfer of corporate interests in excess of twenty-five percent (25%) shall be deemed an assignment of this lease.

342199



The Landlord reserves the right to assign, pledge, or hypothecate this Agreement upon notice to the Tenant.

10. INSURANCE AND BONDING.

A. Coverage. As a condition precedent to this lease, Tenant shall provide, at his own cost, insurance coverage in the amount of ONE MILLION DOLLARS (\$1,000,000.00), the category to be under-written by a responsible insurance carrier, authorized by the State of Nevada to provide such coverage. The following coverage shall be included:

1. Third-party comprehensive general liability coverage for bodily injury and property damage including owned and non-owned aircraft, for any claim or liability for any injury or damage to any person or property occurring on the leased premises or arising out of or resulting from Tenant's operations or omissions at the Carson City Airport.

2. Products liability coverage in addition to the foregoing comprehensive general liability insurance where the licensee operates a food service or offers goods or merchandise for sale.

3. Statutory workers' compensation and employer's liability coverage to the extent required by law.

4. Fire and extended coverage and vandalism and malicious mischief insurance, as provided by the lease Agreements, for damage or destruction of real property or leasehold improvements, where the Landlord has, or will have, an interest in such property by virtue of an existing lease.

B. Insured Includes. Landlord and Carson City must be named as an additional insured and requires that the insurance carrier underwriting such coverage give the Landlord thirty (30) days written notice prior to cancellation of or material alteration to the policy.

Landlord requires that Tenant provide Landlord with a Certificate of Insurance evidencing the coverage in effect, including limits and expiration date. Such policy or policies shall be maintained in full force and effect during the term of the lease, and renewals or extensions of same.

342199



C. Review of Insurance coverage. Landlord and Carson City reserve the right, every five years, to review and adjust the amount of insurance coverage required.

11. HOLD HARMLESS. The Tenant, in consideration of the Landlord's agreement to lease certain real property to Tenant pursuant to this Agreement, agrees that at all times during the term of this Agreement, Tenant shall indemnify and defend, saving harmless Carson City, Landlord, its officers, boards, commissions, agents, and employees from any and all claims directly related to or connected with the use of occupation of the leasehold property by any person whatsoever on account of property damage, injury, or death of a person or persons acting on behalf of, or upon the request of, the Tenant during the term of this Agreement.

The Tenant further agrees to indemnify Carson City and Landlord from environmental liability for contamination or damage to the premises and any adjacent area to the premises related or connected with the occupation or use of the leasehold property.

Carson City, Landlord, its officers' boards, commissions, agents, and employees shall be held harmless in all respect for any cost, expense, or liability of any nature which may be incurred by the Tenant during the term of this Agreement.

12. ENVIRONMENTAL. The Tenant will conduct its business and operation in the Premises in compliance with all Environmental Laws and Permits. The Tenant will forthwith notify the Landlord of the occurrence of any of the following and will provide the Landlord with copies of all relevant documentation in connection therewith:

- (a) a release of a Hazardous Substance in or about the Premises and/or Lands except in strict compliance with Environmental Laws and any applicable Permits;
- (b) the receipt by the Tenant of an Environmental Notice; or
- (c) the receipt by the Tenant of information which indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environmental by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws.

Tenant will not permit the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in or about the Premises and/or Lands, except in compliance with applicable Environmental Laws. If the Landlord receives information that Hazardous Substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws, the Tenant

342199



will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by the Landlord to determine the existence of Hazardous Substances in or about the Premises and/or Lands. If the Tenant does not complete the Investigations to the satisfaction of the Landlord, the Landlord may enter on the property of the Tenant and take any actions necessary to complete the Investigations, the cost of which actions will be borne by the Tenant as additional rent. If remedial work is required due to the presence of Hazardous Substances on or in the Premises and/or the Lands, the Tenant will take all necessary action, at the cost of the Tenant, to restore the Premises and/or Lands to a level acceptable to the Landlord and to all governmental authorities having jurisdiction. Upon the request of the Landlord, from time to time, the Tenant will provide to the Landlord satisfactory documentary evidence that all environmental permits are valid and in good standing.

Environmental Indemnity. The Tenant will indemnify and save harmless Carson City, Landlord, its officers, directors, employees, agents and shareholders, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against Carson City, Landlord, its officers, directors, employees, agents and shareholders, arising, directly or indirectly, out of:

- (a) a breach by the Tenant of any of the covenants contained in this Section;
- (b) the presence of or release of any Hazardous Substance on or off-site of the Premises and/or the Lands;
- (c) any action taken by the Landlord with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands; or
- (d) any action taken by the Landlord in compliance with any Environmental Notice with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands;

and such indemnity will survive the expiration or any termination of this lease notwithstanding anything in this lease to the contrary.

13. **MAINTENANCE.** Landlord is not required to provide any maintenance, repairs, removal, and construction of gross area leased or of buildings or facilities erected by Tenant.

342199



Tenant shall provide and pay for all light, gas, electric, water, janitorial, and sewer charges used or incurred in or about the lease premises.

Tenant shall maintain all leased areas, salvage and rehabilitation areas, displays, storage areas, landscaping, pavement, facilities, and structures in a state of repair and good appearance acceptable to the Landlord. Landlord shall have sole discretion in interpreting and enforcing all Federal, State, and local rules, regulations, codes, and ordinances in determining what is, or is not, acceptable.

Landlord may require Tenant to perform all necessary maintenance, repairs, removal, construction or cleaning/clearing of unsightly areas upon the leased premises. In the event such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas is not undertaken as required, Landlord may perform such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas on behalf of Tenant and at Tenant's expense, plus ten percent (10%) for administration.

14. TAX OBLIGATION. Tenant shall pay all taxes and assessment against any buildings or other structures and improvements used by Tenant in its operations, and if imposed at any future date, any and all real property taxes assessed against the land leased from Landlord, including any possessory interest taxes.

15. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall construct improvements in accordance with Exhibit B and shall remove at his cost all buildings and improvements upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on expiration of lease period to take title of the buildings and improvements, at no cost or obligation to Landlord, in lieu of Tenant's obligation to restore the premises to its original condition.

16. REPORTING. Anything that affects the safe and efficient operation of the Carson City Airport shall be immediately reported to Landlord or the designated Airport Manager.

17. AMENDMENTS. Any amendments to this lease require approval by the Landlord, Carson City and Tenant. All proposed amendments must be submitted in writing to Landlord for review and placement before a regularly scheduled meeting of the Carson City Airport Authority for consideration.

18. GENERAL. It is understood and agreed that each and all the terms of this Lease are subject to the regulations and provisions of law applicable to the operation of the Carson City Airport as a Federal Aid Airport Project. If any provision of this Lease is invalid, the other provisions of the Lease which are valid shall remain in effect, and the Lease will be re-negotiated to comply with the requirements of the applicable laws and regulations. In the event that negotiation attempts are unsuccessful, either party may petition the First Judicial District Court, which shall then be entitled to establish such replacement provisions or issue such rulings as are just, for the purpose of satisfying the intent of the Lease provisions.

The Tenant agrees to observe and obey during the terms of this Lease all laws, rules, and regulations promulgated and enforced by the State of Nevada, Carson City, and by any other proper authority having jurisdiction over the conduct of operations at the Carson Airport.

Landlord and the Carson City Sheriff's Office shall have complete dominion over the premises herein during the term of this Lease for the purpose of, and to the extent necessary, to maintain law, order, and safety, and has the authority and the right to deny access to the Carson Airport by any person who fails to obey all relevant laws, rules, and regulations.

19. NOTICES. It is agreed that any notice to be given or served upon either party shall be sufficient if sent by certified mail, postage prepaid, addressed to the address of the party listed at the beginning of this Lease, or to such other address as may be designated in writing by such party.

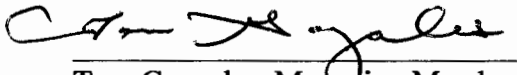
20. ADDITIONAL CONDITIONS. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A. Unless otherwise provided, all construction materials, appearance, and building size shall be completed as represented in the bid submissions.

342199



TENANT
KCXP INVESTMENTS, LLC.,
a Delaware limited liability company

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


Tom Gonzales, Managing Member


Neil Weaver, CHAIRMAN

ATTEST:


Collie Hutter, TREASURER

STATE OF NEVADA)
 : SS
COUNTY OF Washoe)

On this 18th day of August, 2005, before me, the undersigned, a Notary Public, personally appeared TOM GONZALES, Managing Member of KCXP INVESTMENTS, LLC, known 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 (SEAL)



342199

CARSON CITY

Approved by the Board of Supervisors this 1st day of Sept, 2005.



MARV TEIXEIRA, Mayor

ATTEST:


ALAN GLOVER, Clerk/Recorder

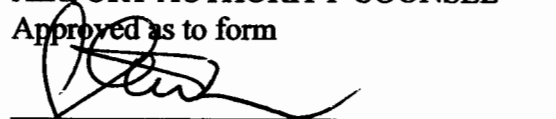
CITY'S LEGAL COUNSEL

Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL

Approved as to form


STEVEN E. TACKES, ESQ.

342199

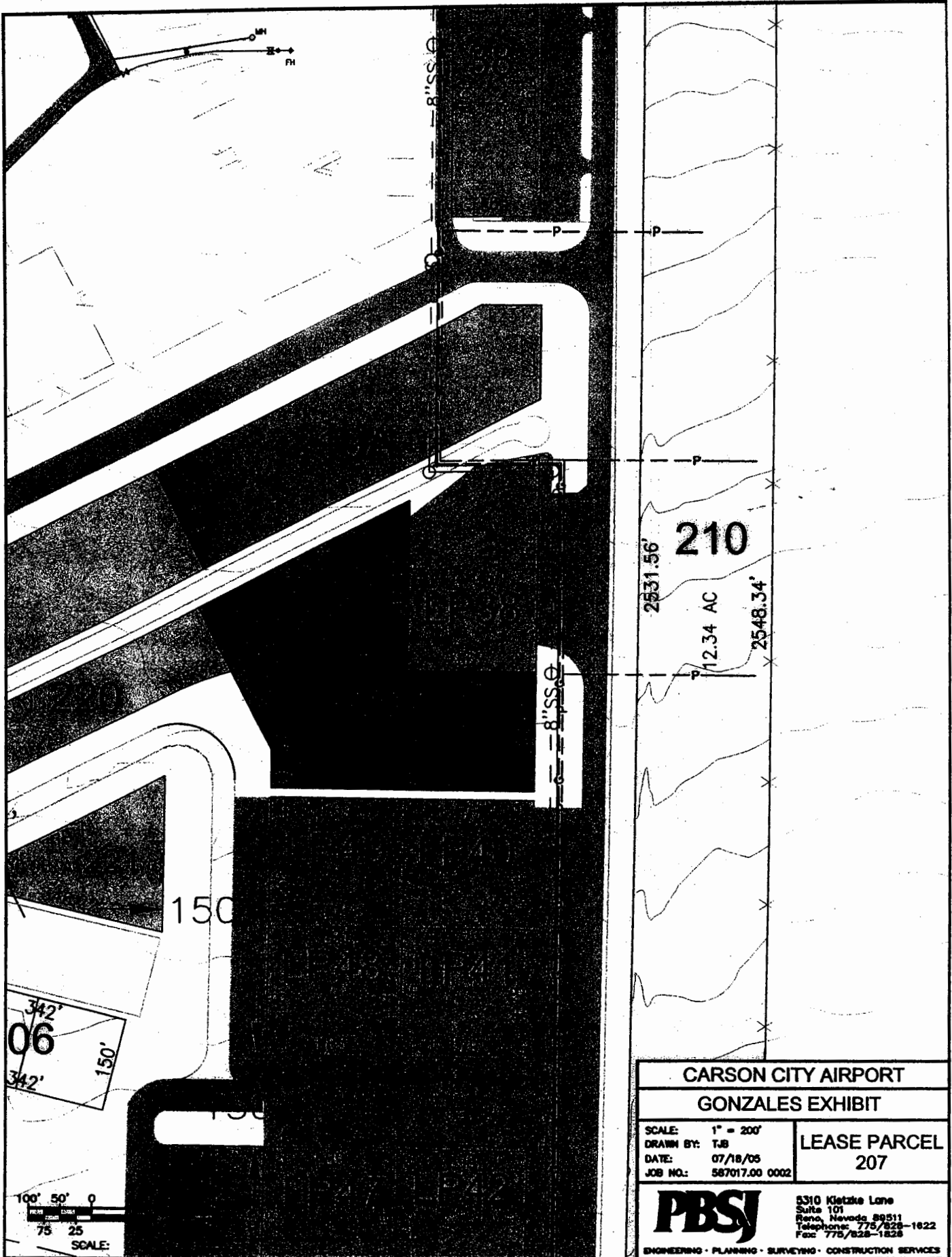
Exhibit A

Metes and Bounds Description for Lease Parcel 207 As Shown On The Carson City Airport Lease Parcel Map 8-22-05

All that portion of land as shown on the exhibit for the Carson City Airport, more particularly described as follows:

Beginning at the North Section Corner common to Sections 4 and 3, Township 15 North, Range 20 East, MDBM, thence S 20° 16' 19" W a distance of 1,107.22-feet to a rebar with a cap inscribed with PLS 6304 noted as the Point of Beginning; thence S 01° 00' 00" W a distance of 340.73-feet to the northeast corner of the parcel and the True Point of Beginning, thence S 01° 00' 00" W a distance of 192.43-feet to the southeast corner of the parcel, thence N 89° 00' 00" W a distance of 420.00-feet to the southwest corner, thence N 1° 00' 00" E a distance of 59.34-feet to an angle point, thence N 26° 19' 22" W a distance of 260.18-feet to the northwest corner of the parcel, thence N 63° 40' 38" E a distance of 370.79-feet to the northern corner point of the parcel, thence S 01° 00' 00" W a distance of 268.25-feet to an angle point, thence S 89° 00' 00" E a distance of 210.00-feet to the True Point of Beginning. Said parcel containing 3.29 acres more or less.

342199



CARSON CITY AIRPORT

GONZALES EXHIBIT

SCALE: 1" = 200'
 DRAWN BY: TJB
 DATE: 07/18/05
 JOB NO.: 567017.00 0002

LEASE PARCEL
207



5310 Kietzke Lane
 Suite 101
 Reno, Nevada 89511
 Telephone: 775/828-1822
 Fax: 775/828-1828

ENGINEERING • PLANNING • SURVEYING • CONSTRUCTION SERVICES

342199

[Handwritten signature]

EXHIBIT B
CONSTRUCTION EXHIBITS

If required by any Federal, State, or local agency, the Tenant shall prepare and submit an environmental Phase I audit. All structures erected, and paved areas on the Airport, shall comply with all applicable County and State building, health, and safety regulations, including, if applicable, any other building, fire, sign, electrical, heating, zoning, and plumbing codes. Architectural design of all structures and paving shall be reviewed and approved by the Carson City Airport Authority.

Tenant shall be required to furnish to the Carson City Airport Authority a copy of a contract between Tenant and a licensed contractor. The contract shall be protected by a performance bond to guarantee that the improvements will be completed according to the existing codes and the improvements will be free from any liens.

Tenant is obligated to secure all permits that are necessary and required to construct or develop any building, improvements, and additions upon lease parcel.

1. **CONSTRUCTION ON PREMISES.** Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgments, decrees, regulations, directives, and requirements now, or which may be, applicable to the construction of improvements on the operations and uses of the premises.

A. Construction Phasing

1. All plans completed and submitted to Landlord and governmental offices for approval within 1 year of the effective date of the lease.
2. All permits obtained for construction within 120 days next following.
3. All construction completed within two years of the effective date of the lease.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, of the premises.

342199

C. Certificate of Completion. Upon completion of the improvements, Tenant shall submit to the Landlord a copy of its acceptance letter certifying completion and a certified copy of any certificate or permit which may be required by any Federal, State, County, or other local government or agency in connection with the completion or occupancy by Tenant. Tenant shall furnish to Landlord a set of reproducible, final "as built" drawings of any and all improvements not later than ninety (90) days following the completion, occupancy, or initial use of such improvements, whichever comes first.

2. TITLE TO IMPROVEMENTS AND FIXTURES. During the term of this lease, all improvements (other than trade fixtures) erected, installed, or constructed by Tenant on the premises shall become part of the land upon which they are erected, or part of the building to which they are affixed, and title to such improvements, facilities, or alterations shall remain with Tenant. "Trade fixtures" shall remain the property of Tenant and that term shall include, but shall not be limited to, personal property, signs used to identify the Tenant's facilities in and about the premises, and all machinery and equipment installed in, placed on, or used in connection with Tenant's operation.

**APPENDIX A
CARSON CITY AIRPORT AUTHORITY**

DEVELOPMENT/CONSTRUCTION STANDARDS

CODE REQUIREMENTS - ALL CONSTRUCTION SHALL MEET ALL CARSON CODES AND REQUIREMENTS INCLUDING THE CARSON CITY AIRPORT AUTHORITY (C.C.A.A.)

OUTSIDE STORAGE AREA - T-HANGERS, SHOP-HANGERS/OFFICE BUILDINGS ETC. SHALL NOT HAVE OUTSIDE STORAGE OF ANY KIND.

WATER - WATER SERVICE SHALL BE BROUGHT TO THE PROPERTY BY THE LEASE HOLDER.

FIRE HYDRANTS - FIRE HYDRANTS MAY BE REQUIRED PURSUANT TO FIRE DEPARTMENT REGULATIONS AND ARE THE LEASEHOLDERS RESPONSIBILITY.

POWER - ELECTRIC POWER SHALL BE REQUIRED TO EACH BUILDING.

FLOORS - GROUND LEVEL CONCRETE FLOORS SHALL BE REQUIRED IN EACH BUILDING.

COLORS - EXTERIOR BUILDING COLORS SHALL BE LIMITED TO BLUE AND TAN MATCHING EXISTING STRUCTURES.

DOOR HEIGHT - T-HANGARS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 12 FT. LARGER OR MULTIPLE AIRCRAFT HANGERS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 19 FT. UNLESS APPROVED OTHERWISE BY THE AIRPORT AUTHORITY.

NEW CONSTRUCTION - ALL BUILDINGS SHALL BE OF NEW CONSTRUCTION.

LIGHTING - SECURITY LIGHTING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

PARKING - PARKING SPACES SHALL NOT BE REQUIRED FOR HANGARS LOCATED ON THE INTERIOR OF THE AIRPORT. FOR HANGERS THAT ARE LOCATED WITH EXTERIOR ACCESS OR FRONTAGE, ENOUGH SPACES DEEMED PROPER FOR THE SIZE OF THAT BUILDING WILL BE REQUIRED AND WILL BE IN COMPLIANCE WITH THE APPLICABLE CITY CODES. NO PARKING OR STORAGE WILL BE PERMITTED ON AIRPORT PROPERTIES. AUTOMOBILE PARKING WILL BE RESTRICTED TO THE INDIVIDUAL'S LEASEHOLD BUT WILL NOT ALLOW FOR THE EXTERIOR STORAGE OF BOATS, CONTAINERS, RV'S, TRAILERS, WRECKED AIRCRAFT ETC.

FENCING - IF APPROPRIATE, PROPERTIES, WITH EXTERIOR BOUNDARIES SHALL PROVIDE SECURITY FENCING. SAID SECURITY FENCING SHALL BE REQUIRED WITH CONSTRUCTION OF THE STRUCTURE. ALL FENCING SHALL BE 6 FT. HIGH, CHAIN LINK FENCE OR BETTER.

TRASH - ALL PROPERTY, FENCE AND BUILDING LINES SHALL BE KEPT CLEAR OF WEEDS, TRASH, AND LITTER. LANDSCAPING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

342199

APN None - Airport Lots 207,
208 and 209

APN _____

APN _____

RECORDED AT THE
REQUEST OF
**CARSON CITY CLERK TO
THE BOARD**

2008 JUN 10 PM 4:45

FILE NO. 380170

ALAN GLOVER
CARSON CITY RECORDER

FEE \$ 10 DEP. 1

FOR RECORDER'S USE ONLY

Carson City Airport Lease Amendment to Document 342199

TITLE OF DOCUMENT

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain personal information of any person or persons. (NRS 239B.030)

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain personal information of a person or persons as required by law. State specific law: _____

Signature

Katherine L. McLaughlin, Recording
Print Name & Title Secretary

WHEN RECORDED MAIL TO:

380170

CARSON CITY AIRPORT LEASE AMENDMENT

The Carson City Airport Authority (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and KCXP Investments LLC., a Delaware LLC., (Tenant), whose address is 134 Lakes Blvd, Dayton, NV 89403, hereby enter into this First Amendment to the Airport Lease Agreement dated August 17, 2005 and recorded as Document No. 342199 on September 2, 2005, in the records of the Carson City Recorder.

WITNESSETH:

WHEREAS, the Tenant has requested the same rights given to other hangar developments which permit assignment to a hangar owners association; and

WHEREAS, the parties desire to permit such rights.

THEREFORE, Landlord and Tenant agree as follows:

1. Paragraph 9 of said lease shall be replaced with the following:

“9. ASSIGNMENT AND SUBLEASING. Tenant shall be permitted to assign this lease, or a portion thereof, to a hangar owners association to allow individual ownership of hangars, but Tenant shall remain the single entity responsible to Landlord. The parties anticipate that individual owners of hangars will be members of said association, and to the extent consistent with that assignment, Tenant or Association may sublease portions of the leasehold to said individual owners, without further approval required of Landlord, where such subleases are necessary or appropriate to the sale of interest in individual hangars. Tenant and Association may assign or delegate lease obligations as between each other with respect to operation or maintenance of the leasehold, recognizing the Tenant is ultimately responsible to Landlord. Tenant shall have no other right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

Tenant shall have the right to assign, pledge, or hypothecate this lease for the purpose of securing additional financing, upon the prior approval of Landlord. Upon request of Tenant, Landlord agrees to execute an estoppel certificate for the benefit of Tenant, or the benefit of individual hangar owners association members if in relation to individual financing, representing that the lease is in full force and effect, and Tenant is not in default under the lease and such other items as Tenant may reasonably request.

The parties agree that a transfer of corporate interests in excess of twenty-five percent (25%) shall be deemed an assignment of this lease.

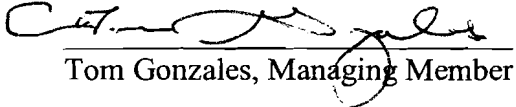
380170

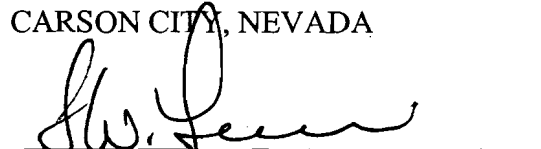
The Landlord reserves the right to assign, pledge, or hypothecate this Agreement upon notice to the Tenant.”

2. All of the other terms and conditions of the original lease are unchanged.

TENANT
KCXP INVESTMENTS, LLC.,
a Delaware limited liability company

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


Tom Gonzales, Managing Member


Steve Lewis, CHAIRMAN


ATTEST:


Collie Hutter, TREASURER

STATE OF NEVADA)
 : ss
COUNTY OF _____)

On this 25th day of April, 2008, before me, the undersigned, a Notary Public, personally appeared TOM GONZALES, Managing Member of KCXP INVESTMENTS, LLC, known 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.

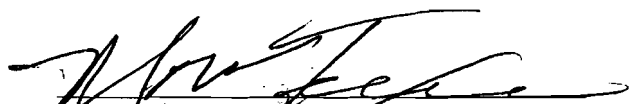

NOTARY PUBLIC (SEAL)

 Brandon shawn Norris
Commission #DD332235
Expires: Jun 24, 2008
Bonded Thru
Atlantic Bonding Co., Inc.


-
- **380170**

CARSON CITY

Approved by the Board of Supervisors this 5th day of June, 2008.



MARC TEIXEIRA, Mayor

ATTEST:
CLERK'S
OFFICE


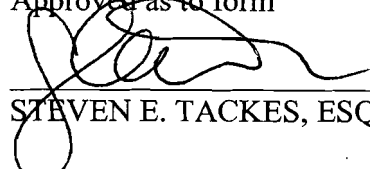
ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.



DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form



STEVEN E. TACKES, ESQ.

-
- 380179