

**CARSON CITY AIRPORT AUTHORITY
MEETING AGENDA**

Wednesday, September 20, 2023 – 5:30 P.M.

Public Meeting at:

**CARSON CITY COMMUNITY CENTER
(Robert Crowell Board Room)
851 E. William
Carson City, Nevada**

This Agenda Prepared by Corey Jenkins, Airport Manager

- A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM.
- B. PLEDGE OF ALLEGIANCE
- C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY.
- D. MODIFICATION OF THE AGENDA. *The Chairman reserves the right to modify the agenda in order to most effectively process the agenda items. Items may be taken out of order; Items may be combined for consideration by the Authority; Items may be pulled or removed from the agenda at any time.*
- E. PUBLIC COMMENT. Members of the public who wish to address the Airport Authority may speak on *agendized and non-agendized matters* related to the Airport. Comments are limited to three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.
 - 1. The public may provide public comment in advance of a meeting by written submission to the following email address: Manager@flycarsoncity.com. For inclusion or reference in the minutes of the meeting, your public comment must include your full name & address and be submitted via email by not later than 5:00 p.m. the day before the meeting. The Carson City Airport Authority values your input. Members of the public who wish to provide live public comment may do so during the designated public comment periods, indicated on the agenda in person.

- F. AIRPORT ENGINEER’S REPORT (*Non-Action Item*).
- G. CONSENT AGENDA
 - 1. FOR POSSIBLE ACTION: APPROVE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH COFFMAN & ASSOCIATES TO SERVE AS THE AIRPORT PLANNING CONSULTANT FOR A PERIOD OF FIVE YEARS.

Staff Summary: Staff to present proposed contract with Coffman & Associates to provide on-call Airport Planning and Environmental Services.

2. FOR POSSIBLE ACTION: AWARD AND EXECUTE FAA CONTRACT FOR AIP 44 (SNOW REMOVAL EQUIPMENT BUILDING CONSTRUCTION) TO THE RESPONSIVE APPARENT LOW BIDDER, HOUSTON SMITH CONSTRUCTION, INC, IN THE AMOUNT OF \$1,548,781.57

Staff Summary: A request for proposals was published March 22, March 29, April 5, and April 12; with a bid opening on April 18. Three bids were received and Houston Smith Construction, INC was the lowest responsive bid. The award of the contract will allow the project to proceed.

H. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF CHANGE OF CONTROL OF KCXP INVESTMENTS, LLC FROM TOM GONZALES TO BRADLEY BUSBIN, THE TRUSTEE OF THE GONZALES CHARITABLE REMAINDER UNITRUST TWO.

Staff Summary: Tom Gonzales transferred his membership interests in KCXP Investments, LLC to a Charitable Remainder Trust with Bradley Busbin as Trustee on January 12th, 2018. Bradley Busbin notified airport staff of the change of ownership on June 30, 2023. Per the terms of the lease, a change of ownership of 25% or more is subject to Authority approval. Staff recommends approval.

2. FOR DISCUSSION AND POSSIBLE ACTION: APPROVE KCXP INVESTMENTS, LLC LEASE ASSIGNMENT TO CARSON TAHOE EXECUTIVE, LLC.

Staff Summary: KCXP Investments, LLC has executed a lease assignment of APN 005-021-06 to Carson Tahoe Executive, LLC. Per the terms of the lease, Authority approval is required. Staff recommends approval.

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

Staff Summary: KCXP Investments, LLC has executed a sublease their entire parcel (APN 005-021-04) to Carson Tahoe Executive. Per the lease a sublease of the entire parcel requires Authority approval. Staff recommends approval.

I. AIRPORT MANAGER'S REPORT (*Non-Action Item*).

J. LEGAL COUNSEL'S REPORT (*Non-Action Item*).

K. TREASURER'S REPORT (*Non-Action Item*).

L. REPORT FROM AUTHORITY MEMBERS (*Non-Action Item*).

1. Status review of projects
2. Internal communications and administrative matters
3. Correspondence to the Authority
4. Status reports and comments from the members of the Authority

M. PUBLIC COMMENT. Members of the public who wish to address the Airport Authority may speak about items discussed on the agenda related to the Airport. Comments are limited to three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING (*Non-Action Item*).

O. ACTION ON ADJOURNMENT.

* * * * *

DELIVERED (via E-Mail) to the FOLLOWING LOCATIONS for POSTING by 9am, September 15, 2023

The Carson City Airport Website	https://flycarsoncity.com/
State of Nevada Public Notice Website	https://notice.nv.gov
Airport Terminal Building	2600 College Parkway Carson City, NV
Mountain West Aviation	2101 Arrowhead Dr. Carson City, NV
Stellar Aviation of Carson City, LLC	2640 College Parkway Carson City, NV
<i>~ Distribution made to others per request and as noted on the Airport Authority Distribution List ~</i>	
<i>Supporting materials will be posted to the Carson City Airport website www.flycarsoncity.com as available, and can be obtained upon request from the Airport Manager, 2600 E. College Parkway #6, Carson City, NV</i>	

NOTE: The Airport Authority is pleased to make reasonable accommodations for the public who are disabled and wish to attend this meeting. If special arrangements for the meeting are necessary, please notify the Airport Authority at (775) 841-2255 or cjenkins@flycarsoncity.com

Notice: NRS 241.020(3)(b) states that a request for mailed notice of meetings automatically lapses six months after it is made to the public body. A separate written request is not required for each meeting although requests are limited to six months at a time.

THE CARSON CITY AIRPORT AUTHORITY ENCOURAGES WRITTEN COMMENTS FROM THE PUBLIC. Comments should be addressed to the **Airport Manager**, and sent to the following address:

Carson City Airport Authority 2600 E. College Parkway #6, Carson City, Nevada 89706

Airport Improvement Update

CARSON CITY AIRPORT – CARSON CITY, NEVADA

September 2023

ENGINEERING UPDATE

Project Updates:

Acquire Snow Removal Equipment:

- Ramp plow delivered
- Snow plow truck tentative delivery TBD
- ACI will participate in acceptance of equipment

Aeronautical Survey for Nighttime Approach:

- Offset PAPI construction
 - Titan Electrical contract documents processed, schedule/start date TBD
 - Submittal review pending

Snow Removal Equipment Building:

- Grant received
- Houston Smith contract documents in process, schedule/start date TBD

CARSON CITY AIRPORT

Date Updated: 9/13/2023

CURRENT PROJECT DASHBOARD

AIP Funded Projects

Project	ACI Task Order	Grant Number	Project Status	Preliminary Grant Application	NEPA Documentation	City Planning Status	Draft Task Order	IFE	Final Task Order	RON	Design Status	Bidding Status	Final Grant Application	Grant Status	Construction Status	Billing Status	Budget Status	Contractor	Notes
Construct SRE Bldg (Bid and Const)	E	3-32-0004-044-2023	Open	Completed	Completed	Approved	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Issued	Start Date TBD	No Billing Issued Yet	No Issues Anticipated	Houston Smith	Pending submittal review and final schedule
Acquire SRE	F	3-32-0004-037-2021	Pending Delivery	Completed	Completed	N/A	Completed	N/A	Completed	Completed	Equipment Identified	Completed	Completed	Issued	N/A	Paid up to date	No Issues Anticipated	Henke Mfg	Ramp plow delivered; pending remaining equipment delivery
Install Approach Lighting (Phase 2 - Offset PAPI & MALSF Design)	H	3-32-0004-042-2022	Open	Completed	Completed	N/A	Completed	Completed	Completed	Completed	Completed	N/A	Completed	Issued	N/A	Paid up to date	No Issues Anticipated	N/A	Preparing design grant closeout
Install Approach Lighting (Phase 3 - Offset PAPI Construction)	I	3-32-0004-043-2023	Open	Completed	Completed	N/A	Completed	Completed	Completed	Completed	Completed	Completed	Completed	Issued	Start Date TBD	No Billing Issued Yet	No Issues Anticipated	Titan Electrical	Pending submittal review and final schedule





CCAA BOARD MEMO

Agenda Item: G-1

BOARD MEMO 2023-23

Meeting Date: September 20, 2023

Agenda Title: FOR POSSIBLE ACTION: APPROVE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH COFFMAN & ASSOCIATES TO SERVE AS THE AIRPORT PLANNING CONSULTANT FOR A PERIOD OF FIVE YEARS.

Staff Summary: Staff to present proposed contract with Coffman & Associates to provide on-call Airport Planning and Environmental Services.

Agenda Action: Formal Action/Motion

Time Requested: 0 Minutes

Proposed Motion

I move to approve the Professional Services Agreement with Coffman & Associates.

CCAA'S Strategic Goal

Maintain airport infrastructure in top condition.

Previous Action and Executive Summary

May 17, 2023 (Item H-2) – The CCAA approved the RFQ for planning services and architectural/engineering services.

July 13, 2023 – The Airport Manager received a statement of qualifications from Coffman & Associates for planning services.

August 16, 2023 (Item H-1) – Coffman & Associates was selected as the top ranked planning consultant and staff were directed to proceed with negotiations.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share:

Hourly Rates:

Principal-In-Charge: \$303

Senior Professional/Project Manager: \$279

Professional: \$166

Technical/Support \$118

Is it currently budgeted? Yes

Alternatives

Reject the proposed agreement and direct staff to make changes.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

AIRPORT PLANNING SERVICES CONTRACT

This Agreement, entered into as of this ____ day of _____, 2023, by and between:

CARSON CITY AIRPORT AUTHORITY

2600 E. College Parkway #6
Carson City, NV 89706

hereinafter referred to
to as the **SPONSOR**

AND:

COFFMAN ASSOCIATES, INC.

4835 E. Cactus Road, Suite 235
Scottsdale, AZ 85254

hereinafter referred to
as the **CONSULTANT**

FOR THE PURPOSE of providing the following professional airport consulting services for the Carson City Airport (CXP):

- Airport Planning Services
- Airport Environmental Services

The airport consulting services include a full range of aviation development needs for the Carson City Airport Authority as outlined in the Request for Qualifications (RFQ) that was approved by the Airport Authority on May 17, 2023. The services to be provided may include, but are not limited to, airport master planning and associated airport layout plan (ALP) services, FAA environmental documentation, noise and land use compatibility planning, conceptual layouts, activity forecasting, financial evaluations, benefit/cost analysis, airport/community relations programs, grant administration services for Federal/State funded projects (including grant applications and grant reimbursement requests, airport capital improvement programs (ACIPs), and special services as defined in Federal Aviation Administration (FAA) Advisory Circular 150/5100-14E. The services outlined above will be associated with those projects reasonably expected to be performed for the Airport Authority within the next five (5) years. The associated projects are outlined in the RFQ.

THE SPONSOR AND CONSULTANT do hereby mutually agree to the following:

ARTICLE ONE - SERVICES AND RESPONSIBILITIES

1.1 **Employment of the Consultant.** In consideration of the mutual promises contained in this Agreement, the SPONSOR engages the CONSULTANT to render professional airport consulting services in furtherance of the development, operation, and management of airports under the control of the Carson City Airport Authority, in accordance with all the terms and conditions contained in this Agreement, including those contained in all attached Authorization of Services for specific projects, which by this reference are made a part of this Agreement.

1.2 **Scope of Services.** The CONSULTANT shall do, perform, and carry out in a satisfactory and proper manner, as determined by the SPONSOR, and other sponsoring agencies, the services generally outlined below and specifically indicated in future Authorization of Services attached and/or incorporated by reference hereto. The CONSULTANT is authorized to utilize the services of independent contractors, consultants, and subcontractors, when such services are warranted and agreed upon by the SPONSOR.

(a) **General Services.** The CONSULTANT shall render services as the owner's professional airport consultant, giving consultation and advise as needed. The CONSULTANT shall provide general project/grant administration, fiscal planning, and management services; including but not necessarily limited to, consultation regarding priority determination, funding sources, and scheduling of work for the design and construction of airport maintenance and development projects.

(b) **Planning and/or Environmental Studies.** For all services not covered under the above general services, separate Authorization of Services will be prepared as required. Each Authorization of Services for planning and/or environmental studies shall set forth the specific services to be performed; the time limits, if any, within which such services are to be performed; the compensation to be paid the CONSULTANT for its services; and other special conditions or provisions which apply to the particular study and are not addressed elsewhere in this Agreement. The CONSULTANT may elect not to perform any services before execution of such an Authorization of Services.

1.3 **Responsibility of the Consultant.** The CONSULTANT shall be responsible for the professional quality, technical accuracy and the coordination of all services provided by the CONSULTANT under this Agreement.

1.4 **Responsibility of the Sponsor.** The SPONSOR shall cooperate with the CONSULTANT by making a diligent effort to provide everything reasonably necessary for the CONSULTANT to be able to provide its services, including all previous plans, drawings, specifications and design and construction standards; assistance in obtaining necessary access to public and private lands; legal, accounting, and insurance information required for various projects and necessary permits and approval of governmental authorities or other individuals.

1.5 **Subcontracts.** The CONSULTANT is authorized to utilize the services of the following subconsultants: SWCA Environmental Consultants and Martinez Geospatial. At the time additional subcontracted services are anticipated, the CONSULTANT shall notify the SPONSOR of the nature of and need for such services and identify the proposed subcontracting firm. The CONSULTANT must receive approval in writing from the SPONSOR prior to utilization of a subcontractor. CONSULTANT shall be responsible for the work of all subcontractors notwithstanding SPONSOR's approval of the subcontractor.

1.6 **Time of Performance.** The general services of the CONSULTANT shall be available on a continuous basis for a period of five (5) years commencing as of the date of this Agreement. Specific services outlined in all attached Authorization of Services shall be undertaken and completed in the sequence and timeframe specified in each Authorization of Services. It is understood that specific services, begun during the Time of Performance as outlined above, may require the services of the CONSULTANT beyond the termination date of this contract, in which case, the provisions of this contract will remain in effect for the completion of that specific service.

ARTICLE TWO - COMPENSATION AND METHOD OF PAYMENT

2.1 **Compensation.** All compensation for services rendered by the CONSULTANT shall be based upon criteria established below which relate to the type of services provided and must be billed through the CONSULTANT.

- (a) **General Services.** Compensation for general services authorized by the SPONSOR shall be based upon actual hours and expenses incurred by the CONSULTANT. The CONSULTANT and any of its subcontractors must provide certified hourly rate schedules which will be approved by and placed on file with the SPONSOR. Such hourly rate schedules will establish a certified billing note for each employee category which includes direct salary, overhead and profit and shall constitute the full and complete compensation per hour of services performed by the CONSULTANT. Eligible expenses shall be reimbursed by the SPONSOR based upon submittal of expense reports and/or receipts if requested. All eligible expenses will be outlined and generally approved by the SPONSOR beforehand and will include only non-overhead items directly related to the services performed, such as, but not limited to, transportation, subsistence, reproduction of documents, computer costs, and all purchases which become the property of the SPONSOR. The CONSULTANT may submit revised hourly rate schedules when changes occur and adjustments are necessary, provided that such changes are approved by the SPONSOR and no other adjustments have been approved during a period of no less than six months prior to the requested adjustment. A current hourly rate schedule is attached as Exhibit A.
- (b) **Major Project Services.** Compensation for services rendered by the CONSULTANT that require a detailed work scope, extensive labor assignments or for work efforts that can be adequately estimated in advance, shall be negotiated with the SPONSOR and formally agreed to utilizing an Authorization of Services amendment to this Agreement. An Authorization of Services shall include cost estimates by task and will result in a fixed fee for the service, unless otherwise specified. This fee will constitute full and complete compensation for services performed by the CONSULTANT and/or its subcontractors.

2.2 **Method of Payment.** The SPONSOR shall pay to the CONSULTANT the appropriate rate or fixed price amount for services rendered as described in Paragraph 2.1 of this Agreement only

after the CONSULTANT has specified that he has performed the services and is entitled to the amount requisitioned under the terms of this Agreement.

- (a) General Services. For general services, the CONSULTANT shall submit a requisition for payment outlining actual hours and expenses incurred once the services are performed or at monthly intervals. Payments shall be subject to receipt of requisitions for payment from the CONSULTANT specifying that he has performed the services and is entitled to the full amount requisitioned under the terms of this Agreement.
- (b) Major Project Services. For services rendered under an Authorization of Services, the SPONSOR shall pay to the CONSULTANT not more than the fixed-fee amount set out in the particular Authorization of Services. Payment shall be at monthly intervals subject to receipt of requisitions for payment from the CONSULTANT specifying that he has performed the services and is entitled to the full amount requisitioned under the terms of the Authorization of Services. Requisitions for payment will be based upon the expenses actually incurred, and upon the CONSULTANT's estimate of the services actually completed during the monthly billing period in relation to all services to be performed under that particular Authorization of Services.

2.3 Consultant Responsibilities for Compensation. The CONSULTANT shall prepare monthly invoices which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All requisitions for payment shall be for work completed unless otherwise agreed to by the SPONSOR. The CONSULTANT shall also prepare the necessary forms and Requisitions for Payment under the State and/or Federal project grant application requirements.

2.4 Billing Address. All billing will be to the Airport Manager, Carson City Airport Authority, 2600 E. College Parkway #6, Carson City, NV 89706. The CONSULTANT'S remit address is Coffman Associates, 12920 Metcalf Avenue, Suite 200, Overland Park, KS 66213.

2.5 Sponsor Responsibilities for Compensation. The SPONSOR agrees to pay the CONSULTANT's invoices net upon receipt. At no time will payment of requisitions exceed thirty (30) days from the date of the invoice without notification to the CONSULTANT, however, for services eligible for federal funding, the SPONSOR shall not be responsible for payment to the CONSULTANT until SPONSOR receives funding for such payment. Only at such time as the necessary funds are received by the SPONSOR pursuant to federal grants shall the SPONSOR tender payments to the CONSULTANT as set forth herein. It is expressly understood that the payment process outlined above builds in provisions for the CONSULTANT to carry Consulting costs for no more than sixty (60) days to minimize interest overheads and provide more planning man-hours for each available dollar. It is also expressly understood that the SPONSOR has the right to withhold payment on any invoice if he feels that the CONSULTANT has not performed the requisitioned work efforts in a satisfactory manner. If the SPONSOR does decide to withhold payments to the CONSULTANT for any reason, he must provide written notifications and an explanation to the CONSULTANT within ten (10) days of the date of the invoice. If any payments

are not made when due, then the CONSULTANT may suspend services under this Agreement until payment has been made in full or other satisfactory arrangements have been made.

ARTICLE THREE - CHANGES TO THE SCOPE OF SERVICES

The SPONSOR may, at any time, and by written order, make changes in the services to be performed under this Agreement. If such changes cause an increase or decrease in the CONSULTANT's cost or time required for performance of any services under this contract, an equitable adjustment shall be made, and the contract shall be modified in writing accordingly. Any claim of the CONSULTANT for adjustment under this clause must be submitted in writing within thirty (30) days from the date or receipt by the CONSULTANT of the notification of change.

ARTICLE FOUR - TERMINATION OF THE AGREEMENT

The SPONSOR may, by written notice to the CONSULTANT, terminate this contract in whole or in part at any time, either for the SPONSOR's convenience or because of the failure of the CONSULTANT to fulfill his contract obligations. Upon receipt of such notice, the CONSULTANT shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the SPONSOR all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by the CONSULTANT in performing this contract, whether completed or in process.

This Agreement may be terminated in whole or in part by the CONSULTANT in the event of substantial failure by the SPONSOR to fulfill its obligations.

If the termination is for the convenience of the SPONSOR, the SPONSOR shall pay the CONSULTANT for the services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

If the termination is due to the failure of the CONSULTANT to fulfill his contract obligations, the SPONSOR may take over the work and prosecute the same to completion, by contract or otherwise.

ARTICLE FIVE – FEDERAL CONTRACT PROVISIONS

CONSULTANT shall sign and comply with the statement as set forth in "Exhibit B" hereto. Where the word Contractor is used in "Exhibit B" it shall mean "CONSULTANT". In the event of any conflict between the provisions of this Agreement and Exhibit B, the provisions of Exhibit B shall prevail.

ARTICLE SIX - SUSPENSION OF WORK

The SPONSOR may order the CONSULTANT, in writing, to suspend all or any part of the work for such period of time as he may determine to be appropriate for the convenience of the SPONSOR.

If the performance of all or any part of the work is, for any unreasonable period of time, suspended or delayed by an act of the SPONSOR in the administration of this contract, or by its failure to act within the time specified in this contract (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this contract necessarily caused by such unreasonable suspension or delay, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance would have been suspended or delayed by any other cause, including the fault or negligence of the CONSULTANT, or (2) for which an equitable adjustment is provided for or excluded under any other provision of this contract.

ARTICLE SEVEN - INSURANCE

The CONSULTANT or any subcontractor, if specified, shall maintain during the life of this Agreement, the following minimum public liability and property damage insurance which shall protect the CONSULTANT from claims for injuries including accidental death, as well as from claims for property damages which may arise from the performance of work under this Agreement and the limit of liability for such insurance shall be as follows:

- (a) Comprehensive general liability, including personal injury liability, blanket contractual liability, and broad form property damage liability. The combined single limit for bodily injury and property damage shall be not less than \$1,000,000.
- (b) Automobile bodily injury and property damage liability insurance covering owned, non-owned, rented, and hired cars. The combined single limit for bodily injury and property damage shall not be less than \$1,000,000.
- (c) Statutory workers compensation and employer's liability insurance for the State of Arizona.

The CONSULTANT shall submit to the SPONSOR certificates of insurance with assurances that the SPONSOR will be notified at least 30 days prior to cancellation or any policy changes. The certificate or insurance shall name the SPONSOR as additionally insured.

ARTICLE EIGHT - INTERESTS AND BENEFITS

8.1 **Interest of Consultant.** The CONSULTANT covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The

CONSULTANT further covenants that in the performance of this Agreement, no person having any such interests shall be employed.

8.2 **Interest of Sponsor Members and Others.** No officer, member, or employee of the SPONSOR and no member of its governing body, who exercise any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interests, direct or indirect, in this Agreement or the proceeds thereof.


ARTICLE NINE - ASSIGNMENT

The CONSULTANT shall not assign any interest in this contract, and shall not transfer any interest in the same without the prior written consent of the SPONSOR thereto: provided, however, that claims for money due or to become due to the CONSULTANT from the SPONSOR under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the SPONSOR.

IN WITNESS WHEREOF, the SPONSOR and the CONSULTANT have executed this AGREEMENT as of the date first written.

FOR THE CONSULTANT

Coffman Associates, Inc.

By: 
Matt Quick
Principal

Attest: 

FOR THE SPONSOR

Carson City Airport Authority

By: _____

Attest: _____

Approved as to form:

Legal Counsel

EXHIBIT A

**COFFMAN ASSOCIATES, INC.
FEE SCHEDULE *
January 1, 2023 – December 31, 2023**

<u>Employee Category</u>	<u>Hourly Rate</u>
Principal-In-Charge	\$303.00
Senior Professional/Project Manager	\$279.00
Professional	\$166.00
Technical/Support.....	\$118.00
Expenses	at Cost

* This Fee Schedule shall be in effect until December 31, 2023. Following this date, a new Fee Schedule will be submitted.

EXHIBIT B

FEDERAL CONTRACT PROVISIONS FOR PROFESSIONAL SERVICES CONTRACTS

The following provisions, if applicable, are hereby included in and made part of the attached Contract between the CARSON CITY AIRPORT AUTHORITY (SPONSOR) and COFFMAN ASSOCIATES, INC. (CONSULTANT).

It is understood by the SPONSOR and the CONSULTANT that the FAA is not a part of this Agreement and will not be responsible for Project costs except as should be agreed upon by SPONSOR and the FAA under a Grant Agreement for the Project.

1. ACCESS TO RECORDS AND REPORTS. (Reference: 2 CFR § 200.326, 2 CFR § 200.333))

The CONSULTANT must maintain an acceptable cost accounting system. The CONSULTANT agrees to provide the SPONSOR, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the CONSULTANT which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The CONSULTANT agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

2. BREACH OF CONTRACT TERMS. (Reference 49 CFR part 18.36(i)(1))

Any violation or breach of terms of this contract on the part of the CONSULTANT or its subconsultants may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

3. CIVIL RIGHTS PROVISIONS – GENERAL. (Reference: 49 USC § 47123)

The CONSULTANT agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

This provision also obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program, except where Federal assistance is to provide, or is in the form of personal property; real property or interest therein; structures or improvements thereon.

In these cases, the provision obligates the party or any transferee for the longer of the following periods:

- (a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or
- (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

4. CIVIL RIGHTS – TITLE VI ASSURANCES

Title VI Clauses for Compliance with Nondiscrimination Requirements

(Source: Appendix A of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

During the performance of this contract, the CONSULTANT, for itself, its assignees, and successors in interest (hereinafter referred to as the "CONSULTANT") agrees as follows:

- 1). **Compliance with Regulations:** The CONSULTANTS will comply with the **Title VI List of Pertinent Nondiscrimination Statutes and Authorities**, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- 2). **Non-discrimination:** The CONSULTANT, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The CONSULTANT will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
- 3). **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the CONSULTANT for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the CONSULTANT of the CONSULTANT's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.

- 4). **Information and Reports:** The CONSULTANT will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the SPONSOR or the Federal Aviation Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a CONSULTANT is in the exclusive possession of another who fails or refuses to furnish the information, the CONSULTANT will so certify to the SPONSOR or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- 5). **Sanctions for Noncompliance:** In the event of a CONSULTANT's noncompliance with the Non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the CONSULTANT under the contract until the CONSULTANT complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
- 6). **Incorporation of Provisions:** The CONSULTANT will include the provisions of paragraphs 7.1 through 7.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The CONSULTANT will take action with respect to any subcontract or procurement as the SPONSOR or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the CONSULTANT becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the CONSULTANT may request the SPONSOR to enter into any litigation to protect the interests of the SPONSOR. In addition, the CONSULTANT may request the United States to enter into the litigation to protect the interests of the United States.

Title VI List of Pertinent Nondiscrimination Authorities

(Source: Appendix E of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

During the performance of this contract, the CONSULTANT, for itself, its assignees, and successors in interest (hereinafter referred to as the "CONSULTANT") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- 1). Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 2). 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- 3). The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- 4). Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- 5). The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- 6). Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- 7). The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- 8). Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- 9). The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- 10). Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- 11). Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- 12). Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

5. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

The CONSULTANT, by administering each lower tier subcontract that exceeds \$25,000 as a “covered transaction”, must verify each lower tier participant of a “covered transaction” under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The CONSULTANT will accomplish this by:

- 1). Checking the System for Award Management at website: <http://www.sam.gov>
- 2). Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension (Bidder or Offeror), above.
- 3). Inserting a clause or condition in the covered transaction with the lower tier contract

If the FAA later determines that a lower tier participant failed to tell a higher tier that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedy, including suspension and debarment.

6. CLEAN AIR AND WATER POLLUTION CONTROL.

(Reference: 49 CFR § 18.36(i)(12)) Note, when the DOT adopts 2 CFR 200, this reference will change to 2 CFR § 200 Appendix II(G))

CONSULTANT and subcontractors agree:

- 1). That any facility to be used in the performance of the contract or subcontract or to benefit from the contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
- 2). To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued thereunder;
- 3). That, as a condition for the award of this contract, the CONSULTANT or subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the contract is under consideration to be listed on the EPA List of Violating Facilities;
- 4). To include or cause to be included in any construction contract or subcontract which exceeds \$100,000 the aforementioned criteria and requirements.

7. DISADVANTAGED BUSINESS ENTERPRISES

- 1). **Contract Assurance** (§26.13) - The CONSULTANT and their subcontractors shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The

CONSULTANT shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the CONSULTANT to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

- 2). **Prompt Payment (§26.29)** - The CONSULTANT agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than thirty days from the receipt of each payment the CONSULTANT receives from SPONSOR. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the SPONSOR. This clause applies to both DBE and non-DBE subcontractors.

8. FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE) (Reference: 29 USC § 201, et seq.)

All contracts and subcontracts that result from this solicitation incorporate the following provisions by reference, with the same force and effect as if given in full text. The CONSULTANT has full responsibility to monitor compliance to the referenced statute or regulation. The CONSULTANT must address any claims or disputes that pertain to a referenced requirement directly with the Federal Agency with enforcement responsibilities.

Requirement	Federal Agency with Enforcement Responsibilities
Federal Fair Labor Standards Act (29 USC 201)	U.S. Department of Labor – Wage and Hour Division

9. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES. (Reference:49 CFR part 20, Appendix A)

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the CONSULTANT, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned

shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

10. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (Reference 20 CFR part 1910)

All contracts and subcontracts that result from this solicitation incorporate the following provisions by reference, with the same force and effect as if given in full text. The CONSULTANT has full responsibility to monitor compliance to the referenced statute or regulation. The CONSULTANT must address any claims or disputes that pertain to a referenced requirement directly with the Federal Agency with enforcement responsibilities.

Requirement	Federal Agency with Enforcement Responsibilities
Occupational Safety and Health Act of 1970 (20 CFR Part 1910)	U.S. Department of Labor – Occupational Safety and Health Administration

11. TERMINATION OF CONTRACT (Reference: 49 CFR § 18.36(i)(2))

a. The SPONSOR may, by written notice, terminate this contract in whole or in part at any time, either for the SPONSOR's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services must be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the SPONSOR.

b. If the termination is for the convenience of the SPONSOR, an equitable adjustment in the contract price will be made, but no amount will be allowed for anticipated profit on unperformed services.

c. If the termination is due to failure to fulfill the CONSULTANT's obligations, the SPONSOR may take over the work and prosecute the same to completion by contract or otherwise. In such case, the CONSULTANT is be liable to the SPONSOR for any additional cost occasioned to the SPONSOR thereby.

d. If, after notice of termination for failure to fulfill contract obligations, it is determined that the CONSULTANT had not so failed, the termination will be deemed to have been effected for the convenience of the SPONSOR. In such event, adjustment in the contract price will be made as provided in paragraph 2 of this clause.

e. The rights and remedies of the SPONSOR provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

12. TRADE RESTRICTION (Reference: 49 CFR part 30)

The CONSULTANT or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;
- c. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a CONSULTANT or subcontractor who is unable to certify to the above. If the CONSULTANT knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the SPONSOR cancellation of the contract at no cost to the Government.

Further, the CONSULTANT agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The CONSULTANT may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The CONSULTANT shall provide immediate written notice to the SPONSOR if the CONSULTANT learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the CONSULTANT if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the CONSULTANT or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the SPONSOR cancellation of the contract or subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information

of a CONSULTANT is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

13. TEXTING WHEN DRIVING (References: Executive Order 13513, and DOT Order 3902.10)

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

The CONSULTANT must promote policies and initiatives for employees and other work personnel that decrease crashes by distracted drivers, including policies to ban text messaging while driving. The CONSULTANT must include these policies in each third party subcontract involved on this project.

14. VETERAN'S PREFERENCE (Reference: 49 USC § 47112(c))

In the employment of labor (except in executive, administrative, and supervisory positions), preference must be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Title 49 United States Code, Section 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

15. ENERGY CONSERVATION REQUIREMENTS

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC 6201*et seq*).

16. CERTIFICATION OF OFFERER/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

- 1) The applicant represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
- 2) The applicant represents that it is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

AIRPORT PLANNING SERVICES CONTRACT

This Agreement, entered into as of this 19 day of November, 2018, by and between:

CARSON CITY AIRPORT AUTHORITY

2600 E. College Parkway #6
Carson City, NV 89706

hereinafter referred to
to as the **SPONSOR**

AND:

COFFMAN ASSOCIATES, INC.

4835 E. Cactus Road, Suite 235
Scottsdale, AZ 85254

hereinafter referred to
as the **CONSULTANT**

FOR THE PURPOSE of providing the following professional airport consulting services for the Carson City Airport (CXP).

- Airport Planning Services
- Airport Environmental Services
- Airport Grant Administration Services

The airport consulting services include a full range of aviation development needs for the Carson City Airport Authority as outlined in the Airport Authority's Request for Statement of Interest and Qualifications (RSIQ) issued on May 4, 2018. The services to be provided may include, but are not limited to, airport master planning services, NEPA environmental documentation, noise and land use compatibility planning, financial evaluations, benefit/cost analysis, grant administration services for Federal/State funded projects (including grant applications and grant reimbursement requests), and special services as defined in Federal Aviation Administration (FAA) Advisory Circular 150/5100-14E (Change 1). The services outlined above will be associated with those projects reasonably expected to be performed for the Airport within the next five (5) years. The associated projects are outlined in the RSIQ.

THE SPONSOR AND CONSULTANT do hereby mutually agree to the following:

ARTICLE ONE - SERVICES AND RESPONSIBILITIES

1.1 **Employment of the Consultant.** In consideration of the mutual promises contained in this Agreement, the SPONSOR engages the CONSULTANT to render professional airport consulting services in furtherance of the development, operation, and management of airports under the control of the Carson City Airport Authority, in accordance with all the terms and conditions contained in this Agreement, including those contained in all attached Authorization of Services for specific projects, which by this reference are made a part of this Agreement.

1.2 **Scope of Services.** The CONSULTANT shall do, perform and carry out in a satisfactory and proper manner, as determined by the SPONSOR, and other sponsoring agencies, the services generally outlined below and specifically indicated in future Authorization of Services attached and/or incorporated by reference hereto. The CONSULTANT is authorized to utilize the services of independent contractors, consultants, and subcontractors, when such services are warranted and agreed upon by the SPONSOR.

- (a) **General Services.** The CONSULTANT shall render services as the owner's professional airport planning consultant, giving consultation and advise as needed. The CONSULTANT shall provide general grant administration, fiscal planning and management services; including but not necessarily limited to, consultation regarding priority determination, funding sources and scheduling of work for the design and construction of airport maintenance and development projects.
- (b) **Planning and/or Environmental Studies.** For all services not covered under the above general services, separate Authorization of Services will be prepared as required. Each Authorization of Services for planning and/or environmental studies shall set forth the specific services to be performed; the time limits, if any, within which such services are to be performed; the compensation to be paid the CONSULTANT for its services; and other special conditions or provisions which apply to the particular study and are not addressed elsewhere in this Agreement. The CONSULTANT may elect not to perform any services before execution of such an Authorization of Services.

1.3 **Responsibility of the Consultant.** The CONSULTANT shall be responsible for the professional quality, technical accuracy and the coordination of all services provided by the CONSULTANT under this Agreement.

1.4 **Responsibility of the Sponsor.** The SPONSOR shall cooperate with the CONSULTANT by making a diligent effort to provide everything reasonably necessary for the CONSULTANT to be able to provide its services, including all previous plans, drawings, specifications and design and construction standards; assistance in obtaining necessary access to public and private lands; legal, accounting, and insurance information required for various projects and necessary permits and approval of governmental authorities or other individuals.

1.5 **Subcontracts.** At the time subcontracted services are anticipated, the CONSULTANT shall notify the SPONSOR of the nature of and need for such services and identify the proposed subcontracting firm. The CONSULTANT must receive approval in writing from the SPONSOR prior to utilization of a subcontractor. CONSULTANT shall be responsible for the work of all subcontractors notwithstanding SPONSOR's approval of the subcontractor.

1.6 **Time of Performance.** The general services of the CONSULTANT shall be available on a continuous basis for a period of five (5) years commencing as of the date of this Agreement. Specific services outlined in all attached Authorization of Services shall be undertaken and completed in the sequence and timeframe specified in each Authorization of Services. It is understood that specific services, begun during the Time of Performance as outlined above, may require the services of the CONSULTANT beyond the termination date of this contract, in which

case, the provisions of this contract will remain in effect for the completion of that specific service.

ARTICLE TWO - COMPENSATION AND METHOD OF PAYMENT

2.1 **Compensation.** All compensation for services rendered by the CONSULTANT shall be based upon criteria established below which relate to the type of services provided and must be billed through the CONSULTANT.

(a) **General Services.** Compensation for general services authorized by the SPONSOR shall be based upon actual hours and expenses incurred by the CONSULTANT. The CONSULTANT and any of its subcontractors must provide certified hourly rate schedules which will be approved by and placed on file with the SPONSOR. Such hourly rate schedules will establish a certified billing note for each employee category which includes direct salary, overhead and profit and shall constitute the full and complete compensation per hour of services performed by the CONSULTANT. Eligible expenses shall be reimbursed by the SPONSOR based upon submittal of expense reports and/or receipts if requested. All eligible expenses will be outlined and generally approved by the SPONSOR beforehand and will include only non-overhead items directly related to the services performed, such as, but not limited to, transportation, subsistence, reproduction of documents, computer costs, and all purchases which become the property of the SPONSOR. The CONSULTANT may submit revised hourly rate schedules when changes occur and adjustments are necessary, provided that such changes are approved by the SPONSOR and no other adjustments have been approved during a period of no less than six months prior to the requested adjustment. A current hourly rate schedule is attached as Exhibit A.

(b) **Major Project Services.** Compensation for services rendered by the CONSULTANT that require a detailed work scope, extensive labor assignments or for work efforts that can be adequately estimated in advance, shall be negotiated with the SPONSOR and formally agreed to utilizing an Authorization of Services amendment to this Agreement. An Authorization of Services shall include cost estimates by task and will result in a fixed fee for the service, unless otherwise specified. This fee will constitute full and complete compensation for services performed by the CONSULTANT and/or its subcontractors.

2.2 **Method of Payment.** The SPONSOR shall pay to the CONSULTANT the appropriate rate or fixed price amount for services rendered as described in Paragraph 2.1 of this Agreement only after the CONSULTANT has specified that he has performed the services and is entitled to the amount requisitioned under the terms of this Agreement.

(a) **General Services.** For general services, the CONSULTANT shall submit a requisition for payment outlining actual hours and expenses incurred once the services are performed or at monthly intervals. Payments shall be subject to receipt of requisitions for payment from the CONSULTANT specifying that he has performed the services and is entitled to the full amount requisitioned under the terms of this Agreement.

(b) Major Project Services. For services rendered under an Authorization of Services, the SPONSOR shall pay to the CONSULTANT not more than the fixed-fee amount set out in the particular Authorization of Services. Payment shall be at monthly intervals subject to receipt of requisitions for payment from the CONSULTANT specifying that he has performed the services and is entitled to the full amount requisitioned under the terms of the Authorization of Services. Requisitions for payment will be based upon the expenses actually incurred, and upon the CONSULTANT's estimate of the services actually completed during the monthly billing period in relation to all services to be performed under that particular Authorization of Services.

2.3 Consultant Responsibilities for Compensation. The CONSULTANT shall prepare monthly invoices and progress reports which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All requisitions for payment shall be for work completed unless otherwise agreed to by the SPONSOR. The CONSULTANT shall also prepare the necessary forms and Requisitions for Payment under the State and/or Federal project grant application requirements.

2.4 Billing Address. All billing will be sent to the Airport Manager, Carson City Airport Authority, 2600 E. College Parkway #6, Carson City 4455 West 126th Street, Hawthorne, CA 90250.

2.5 Sponsor Responsibilities for Compensation. The SPONSOR agrees to pay the CONSULTANT's invoices net upon receipt. At no time will payment of requisitions exceed thirty (30) days from the date of the invoice without notification to the CONSULTANT, however, for services eligible for federal funding, the SPONSOR shall not be responsible for payment to the CONSULTANT until SPONSOR receives funding for such payment. Only at such time as the necessary funds are received by the SPONSOR pursuant to federal grants shall the SPONSOR tender payments to the CONSULTANT as set forth herein. It is expressly understood that the payment process outlined above builds in provisions for the CONSULTANT to carry Consulting costs for no more than sixty (60) days to minimize interest overheads and provide more planning man-hours for each available dollar. It is also expressly understood that the SPONSOR has the right to withhold payment on any invoice if he feels that the CONSULTANT has not performed the requisitioned work efforts in a satisfactory manner. If the SPONSOR does decide to withhold payments to the CONSULTANT for any reason, he must provide written notifications and an explanation to the CONSULTANT within ten (10) days of the date of the invoice. If any payments are not made when due, then the CONSULTANT may suspend services under this Agreement until payment has been made in full or other satisfactory arrangements have been made.

ARTICLE THREE - CHANGES TO THE SCOPE OF SERVICES

The SPONSOR may, at any time, and by written order, make changes in the services to be performed under this Agreement. If such changes cause an increase or decrease in the CONSULTANT's cost or time required for performance of any services under this contract, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. Any claim of the CONSULTANT for adjustment under this clause must be submitted in writing

within thirty (30) days from the date or receipt by the CONSULTANT of the notification of change.

ARTICLE FOUR - TERMINATION OF THE AGREEMENT

The SPONSOR may, by written notice to the CONSULTANT, terminate this contract in whole or in part at any time, either for the SPONSOR's convenience or because of the failure of the CONSULTANT to fulfill his contract obligations. Upon receipt of such notice, the CONSULTANT shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the SPONSOR all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by the CONSULTANT in performing this contract, whether completed or in process.

This Agreement may be terminated in whole or in part by the CONSULTANT in the event of substantial failure by the SPONSOR to fulfill its obligations.

If the termination is for the convenience of the SPONSOR, the SPONSOR shall pay the CONSULTANT for the services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

If the termination is due to the failure of the CONSULTANT to fulfill his contract obligations, the SPONSOR may take over the work and prosecute the same to completion, by contract or otherwise.

ARTICLE FIVE – FEDERAL CONTRACT PROVISIONS

CONSULTANT shall comply with the statements as set forth in "Exhibit B" hereto. Where the word Contractor is used in "Exhibit B" it shall mean "CONSULTANT". In the event of any conflict between the provisions of this Agreement and Exhibit B, the provisions of Exhibit B shall prevail.

ARTICLE SIX - SUSPENSION OF WORK

The SPONSOR may order the CONSULTANT, in writing, to suspend all or any part of the work for such period of time as he may determine to be appropriate for the convenience of the SPONSOR.

If the performance of all or any part of the work is, for any unreasonable period of time, suspended or delayed by an act of the SPONSOR in the administration of this contract, or by its failure to act within the time specified in this contract (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this contract necessarily caused by such unreasonable suspension or delay, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance would have been suspended or delayed by any other cause, including the fault or negligence of the CONSULTANT, or (2) for which an equitable adjustment is provided for or excluded under any other provision of this contract.

ARTICLE SEVEN - INSURANCE

The CONSULTANT or any subcontractor, if specified, shall maintain during the life of this Agreement, the following minimum public liability and property damage insurance which shall protect the CONSULTANT from claims for injuries including accidental death, as well as from claims for property damages which may arise from the performance of work under this Agreement and the limit of liability for such insurance shall be as follows:

- (a) Comprehensive general liability, including personal injury liability, blanket contractual liability, and broad form property damage liability. The combined single limit for bodily injury and property damage shall be not less than \$1,000,000.
- (b) Automobile bodily injury and property damage liability insurance covering owned, non-owned, rented, and hired cars. The combined single limit for bodily injury and property damage shall not be less than \$1,000,000.
- (c) Statutory worker's compensation and employer's liability insurance for the State of Arizona.

The CONSULTANT shall submit to the SPONSOR certificates of insurance with assurances that the SPONSOR will be notified at least 30 days prior to cancellation or any policy changes. The certificate or insurance shall name the SPONSOR as additionally insured.

ARTICLE EIGHT - INTERESTS AND BENEFITS

8.1 **Interest of Consultant.** The CONSULTANT covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The CONSULTANT further covenants that in the performance of this Agreement, no person having any such interests shall be employed.

8.2 **Interest of Sponsor Members and Others.** No officer, member, or employee of the SPONSOR and no member of its governing body, who exercise any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interests, direct or indirect, in this Agreement or the proceeds thereof.

ARTICLE NINE- ASSIGNMENT

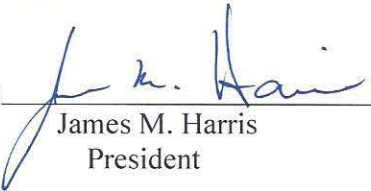
The CONSULTANT shall not assign any interest in this contract, and shall not transfer any interest in the same without the prior written consent of the SPONSOR thereto: provided, however, that claims for money due or to become due to the CONSULTANT from the SPONSOR under this contract may be assigned to a bank, trust company, or other financial

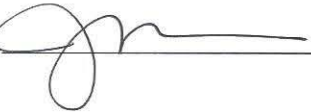
institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the SPONSOR.

IN WITNESS WHEREOF, the SPONSOR and the CONSULTANT have executed this AGREEMENT as of the date first written.

FOR THE CONSULTANT

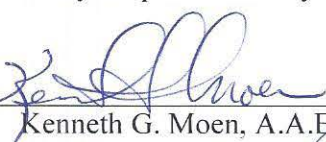
Coffman Associates, Inc.

By: 
James M. Harris
President

Attest: 

FOR THE SPONSOR

Carson City Airport Authority

By: 
Kenneth G. Moen, A.A.E.

Attest: 

Approved as to form:

Steve Tackes, Legal Counsel

EXHIBIT A

**COFFMAN ASSOCIATES, INC.
FEE SCHEDULE*
November 1, 2018 – December 31, 2019**

<u>Employee Category</u>	<u>Hourly Rate</u>
Principal	\$309.00
Senior Professional	\$265.00
Professional.....	\$191.00
Technical/Support.....	\$137.00
Expenses - Billed at Actual Cost	

*This Fee Schedule shall be in effect until December 31, 2019. Following this date, a new Fee Schedule will be submitted.

EXHIBIT B
FEDERAL CONTRACT PROVISIONS
FOR PROFESSIONAL SERVICES (A/E) CONTRACTS

The following provisions, if applicable, are hereby included in and made part of the attached Contract between the CARSON CITY AIRPORT AUTHORITY (SPONSOR) and COFFMAN ASSOCIATES, INC. (CONSULTANT).

It is understood by the SPONSOR and the CONSULTANT that the FAA is not a part of this Agreement and will not be responsible for Project costs except as should be agreed upon by SPONSOR and the FAA under a Grant Agreement for the Project.

1. ACCESS TO RECORDS AND REPORTS. (Reference: 2 CFR § 200.326, 2 CFR § 200.333))

The CONSULTANT must maintain an acceptable cost accounting system. The CONSULTANT agrees to provide the SPONSOR, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the CONSULTANT which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The CONSULTANT agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

2. BREACH OF CONTRACT TERMS. (Reference 49 CFR part 18.36(i)(1))

Any violation or breach of terms of this contract on the part of the CONSULTANT or its subconsultants may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

3. CIVIL RIGHTS PROVISIONS— GENERAL. (Reference: 49 USC § 47123)

The CONSULTANT agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

This provision also obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program, except where

Federal assistance is to provide, or is in the form of personal property; real property or interest therein; structures or improvements thereon.

In these cases, the provision obligates the party or any transferee for the longer of the following periods:

- (a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or
- (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

4. CIVIL RIGHTS – TITLE VI ASSURANCES

Title VI Clauses for Compliance with Nondiscrimination Requirements

(Source: Appendix A of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

During the performance of this contract, the CONSULTANT, for itself, its assignees, and successors in interest (hereinafter referred to as the “CONSULTANT”) agrees as follows:

- 1). **Compliance with Regulations:** The CONSULTANTS will comply with the **Title VI List of Pertinent Nondiscrimination Statutes and Authorities**, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- 2). **Non-discrimination:** The CONSULTANT, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The CONSULTANT will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
- 3). **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the CONSULTANT for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the CONSULTANT of the CONSULTANT’s obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
- 4). **Information and Reports:** The CONSULTANT will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the SPONSOR or the Federal Aviation Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a CONSULTANT is in the exclusive possession of another who fails or refuses to furnish the information, the CONSULTANT will so certify to the SPONSOR or the Federal Aviation

Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

- 5). **Sanctions for Noncompliance:** In the event of a CONSULTANT's noncompliance with the Non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the CONSULTANT under the contract until the CONSULTANT complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
- 6). **Incorporation of Provisions:** The CONSULTANT will include the provisions of paragraphs 7.1 through 7.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The CONSULTANT will take action with respect to any subcontract or procurement as the SPONSOR or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the CONSULTANT becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the CONSULTANT may request the SPONSOR to enter into any litigation to protect the interests of the SPONSOR. In addition, the CONSULTANT may request the United States to enter into the litigation to protect the interests of the United States.

Title VI List of Pertinent Nondiscrimination Authorities

(Source: Appendix E of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

During the performance of this contract, the CONSULTANT, for itself, its assignees, and successors in interest (hereinafter referred to as the "CONSULTANT") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- 1). Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 2). 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- 3). The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- 4). Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- 5). The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);

- 6). Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- 7). The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- 8). Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- 9). The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- 10). Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- 11). Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- 12). Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

5. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

The CONSULTANT, by administering each lower tier subcontract that exceeds \$25,000 as a “covered transaction”, must verify each lower tier participant of a “covered transaction” under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The CONSULTANT will accomplish this by:

- 1). Checking the System for Award Management at website: <http://www.sam.gov>
- 2). Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension (Bidder or Offeror), above.
- 3). Inserting a clause or condition in the covered transaction with the lower tier contract

If the FAA later determines that a lower tier participant failed to tell a higher tier that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedy, including suspension and debarment.

6. CLEAN AIR AND WATER POLLUTION CONTROL.

(Reference: 49 CFR § 18.36(i)(12)) Note, when the DOT adopts 2 CFR 200, this reference will change to 2 CFR § 200 Appendix II(G))

CONSULTANT and subcontractors agree:

- 1). That any facility to be used in the performance of the contract or subcontract or to benefit from the contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
- 2). To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued thereunder;
- 3). That, as a condition for the award of this contract, the CONSULTANT or subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the contract is under consideration to be listed on the EPA List of Violating Facilities;
- 4). To include or cause to be included in any construction contract or subcontract which exceeds \$100,000 the aforementioned criteria and requirements.

7. DISADVANTAGED BUSINESS ENTERPRISES

- 1). **Contract Assurance** (§26.13) - The CONSULTANT and their subcontractors shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The CONSULTANT shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the CONSULTANT to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.
- 2). **Prompt Payment** (§26.29) - The CONSULTANT agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than thirty days from the receipt of each payment the CONSULTANT receives from SPONSOR. Any delay or postponement of payment from the above referenced time frame may occur only for good cause

following written approval of the SPONSOR. This clause applies to both DBE and non-DBE subcontractors.

8. FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE) (Reference: 29 USC § 201, et seq.)

All contracts and subcontracts that result from this solicitation incorporate the following provisions by reference, with the same force and effect as if given in full text. The CONSULTANT has full responsibility to monitor compliance to the referenced statute or regulation. The CONSULTANT must address any claims or disputes that pertain to a referenced requirement directly with the Federal Agency with enforcement responsibilities.

Requirement	Federal Agency with Enforcement Responsibilities
Federal Fair Labor Standards Act (29 USC 201)	U.S. Department of Labor – Wage and Hour Division

9. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES. (Reference:49 CFR part 20, Appendix A)

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the CONSULTANT, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

10. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (Reference 20 CFR part 1910)

All contracts and subcontracts that result from this solicitation incorporate the following provisions by reference, with the same force and effect as if given in full text. The CONSULTANT has full responsibility to monitor compliance to the referenced statute or regulation. The CONSULTANT must address any claims or disputes that pertain to a referenced requirement directly with the Federal Agency with enforcement responsibilities.

Requirement	Federal Agency with Enforcement Responsibilities
Occupational Safety and Health Act of 1970 (20 CFR Part 1910)	U.S. Department of Labor – Occupational Safety and Health Administration

11. TERMINATION OF CONTRACT (Reference: 49 CFR § 18.36(i)(2))

- a. The SPONSOR may, by written notice, terminate this contract in whole or in part at any time, either for the SPONSOR's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services must be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the SPONSOR.
- b. If the termination is for the convenience of the SPONSOR, an equitable adjustment in the contract price will be made, but no amount will be allowed for anticipated profit on unperformed services.
- c. If the termination is due to failure to fulfill the CONSULTANT's obligations, the SPONSOR may take over the work and prosecute the same to completion by contract or otherwise. In such case, the CONSULTANT is be liable to the SPONSOR for any additional cost occasioned to the SPONSOR thereby.
- d. If, after notice of termination for failure to fulfill contract obligations, it is determined that the CONSULTANT had not so failed, the termination will be deemed to have been effected for the convenience of the SPONSOR. In such event, adjustment in the contract price will be made as provided in paragraph 2 of this clause.
- e. The rights and remedies of the SPONSOR provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

12. TRADE RESTRICTION (Reference: 49 CFR part 30)

The CONSULTANT or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;
- c. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a CONSULTANT or subcontractor who is unable to certify to the above. If the CONSULTANT knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the SPONSOR cancellation of the contract at no cost to the Government.

Further, the CONSULTANT agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The CONSULTANT may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The CONSULTANT shall provide immediate written notice to the SPONSOR if the CONSULTANT learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the CONSULTANT if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the CONSULTANT or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the SPONSOR cancellation of the contract or subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a CONSULTANT is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

16. TEXTING WHEN DRIVING (References: Executive Order 13513, and DOT Order 3902.10)

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), FAA

encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

The CONSULTANT must promote policies and initiatives for employees and other work personnel that decrease crashes by distracted drivers, including policies to ban text messaging while driving. The CONSULTANT must include these policies in each third party subcontract involved on this project.

17. VETERAN'S PREFERENCE (Reference: 49 USC § 47112(c))

In the employment of labor (except in executive, administrative, and supervisory positions), preference must be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Title 49 United States Code, Section 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.



CCAA BOARD MEMO

Agenda Item: G-2

BOARD MEMO 2023-24

Meeting Date: September 20, 2023

Agenda Title: FOR POSSIBLE ACTION: AWARD AND EXECUTE FAA CONTRACT FOR AIP 44 (SNOW REMOVAL EQUIPMENT BUILDING CONSTRUCTION) TO THE RESPONSIVE APPARENT LOW BIDDER, HOUSTON SMITH CONSTRUCTION, INC, IN THE AMOUNT OF \$1,548,781.57

Staff Summary: A request for proposals was published March 22, March 29, April 5, and April 12; with a bid opening on April 18. Three bids were received and Houston Smith Construction, INC was the lowest responsive bid. The award of the contract will allow the project to proceed.

Agenda Action: Formal Action/Motion

Time Requested: 0 Minutes

Proposed Motion

I move to award and execute the FAA contract for AIP 44 to the responsive apparent low bidder, Houston Smith Construction, INC.

CCAA'S Strategic Goal

Maintain airport infrastructure in top condition and provide for the safety and security of airport users.

Previous Action and Executive Summary

The SRE building is required for the new Snowplow that was ordered as a part of AIP 37. The grant for the design of the SRE building was issued in 2020. The building was designed and the first time the project went out to bid in 2021, we did not receive any bids. We received and executed the grant award for the construction of the SRE building on September 11, 2023.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share: The federal share of the grant is \$1,619,581.00 with a local match of \$107,972.57.

Is it currently budgeted? Yes

Alternatives

Do not proceed with the project.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

NOTICE OF AWARD

**FOR IMPROVEMENTS TO
CARSON CITY AIRPORT
CONSTRUCT SRE BUILDING
CARSON CITY, NEVADA**

AIP NO. 3-32-0004-044-2023

TO: Houston Smith Construction, Inc.
458 Court Street
Reno, Nevada 89501

The OWNER has considered the Bid submitted by you for the above described Work in response to its Invitation for Bids and Instructions to Bidders.

You are hereby notified that your Bid for the Base Bid and Bid Alternatives 1 and 2, have been accepted in the amount of One Million Five Hundred Forty Eight Thousand Seven Hundred Eighty One Dollars and 57/100 (\$1,548,781.57).

You are required by the Instructions to Bidders to execute the Agreement and furnish the required Contractor's Performance and Payment Bonds and Proofs of Insurance within fifteen (15) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said Bonds and Proofs of Insurance within fifteen (15) days from the date of this Notice, said Owner will be entitled to consider your Bid abandoned, to annul this Notice of Award and to declare your Bid Security forfeited.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the Owner.

Dated this _____ day of _____, 2023.

CARSON CITY AIRPORT AUTHORITY
(OWNER)

By _____, Chairman
2600 College Parkway, Suite 6
Carson City, Nevada 89706
(775) 841-2255

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged by:

Houston Smith Construction, Inc., Contractor

By: _____ Date: _____

Title: _____ Telephone: _____

AGREEMENT

This Agreement is made and entered into this ____ day of _____, 2023 by and between the Carson City Airport Authority, (hereinafter "Sponsor"), a body corporate and politic and constituting a political subdivision of the State of Nevada, and Houston Smith Construction, Inc. (hereinafter "Contractor").

WITNESSETH

WHEREAS, Sponsor received sealed proposals for the provision and furnishing of any and all labor, tools, supplies, equipment, and/or materials necessary and required for the construct of the Snow Removal Equipment (SRE) Storage Building, and which more fully defined and identified in AIP No. 3-32-0004-044-2023, or ACI No. 216735 (hereinafter "Project"); and

WHEREAS, Contractor submitted a sealed proposal to Sponsor for the Project; and

WHEREAS, the Project has been awarded to Contractor; and

WHEREAS, Contractor is willing and able to perform all of the work that is necessary and required to complete the Project; and

THEREFORE, for and in consideration of the fees, covenants, and agreements contained herein, and for other good and valuable consideration, it is agreed and understood between Sponsor and Contractor:

ARTICLE 1

ACCESS TO RECORDS AND REPORTS

(2 CFR § 200.334, 2 CFR § 200.337, and FAA Order 5100.38)

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Sponsor, the Federal Aviation Administration, and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpt and transcriptions. The Contractor agrees to maintain all books, records, and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

ARTICLE 2

AFFIRMATIVE ACTION REQUIREMENT

(41 CFR Part 60-4 and Executive Order 11246)

- A. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
- B. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables:

Goals for Minority participation for each trade 9.2%.

Goals for Female participation for each trade 6.9%

These goals are applicable to all the Contractor's Construction work (whether or not it is Federal or Federally-assisted) performed in the covered area. If the Contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the Contractor also is subject to the goals for both its federally involved and non-federally involved construction.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a) and its efforts to meet the goals. The hours of minority and female employment and training shall be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the Contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

- C. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs (OFCCP) within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.
- D. As used in this notice and in the Contract resulting from this solicitation, the "covered area" is in Carson City, Carson City County, Nevada.

ARTICLE 3
BREACH OF CONTRACT TERMS
(2 CFR § 200 Appendix II(A))

Any violation or breach of terms of this contract on the part of the Contractor or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Sponsor will provide Contractor written notice that describes the nature of the breach and corrective actions the Contractor must undertake in order to avoid termination of the contract. Sponsor reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Sponsor elects to terminate the contract. The Sponsor's notice will identify a specific date by which the

Contractor must correct the breach. Sponsor may proceed with termination of the contract if the Contractor fails to correct the breach by the deadline indicated in the Sponsor's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

ARTICLE 4
BUY AMERICAN PREFERENCE
(Title 49 USC § 50101, Executive Order 14005, Ensuring the Future is Made in All
of America by All of America's Workers, Bipartisan Infrastructure Law
(Pub. L. No. 117-58), Build America, Buy America (BABA))

SEE INSTRUCTIONS TO BIDDERS - SECTION 22 AND PROPOSAL FOR SOLICITATION COMPLIANCE.

Certification of Compliance with Buy American Preference Statement

FAA BUY AMERICAN PREFERENCE

The Contractor certifies that its bid/offer is in compliance with 49 USC § 50101, BABA and other related Made in America Laws,¹ U.S. statutes, guidance, and FAA policies, which provide that Federal funds may not be obligated unless all iron, steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

The bidder or offeror must complete and submit the certification of compliance with FAA's Buy American Preference, BABA and Made in America laws included herein with their bid or offer. The Airport Sponsor/Owner will reject as nonresponsive any bid or offer that does not include a completed certification of compliance with FAA's Buy American Preference and BABA.

The bidder or offeror certifies that all constructions materials, defined to mean an article, material, or supply other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of: non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber; or drywall used in the project are manufactured in the U.S.

¹ Per Executive Order 14005 "Made in America Laws" means all statutes, regulations, rules, and Executive Orders relating to federal financial assistance awards or federal procurement, including those that refer to "Buy America" or "Buy American," that require, or provide a preference for, the purchase or acquisition of goods, products, or materials produced in the United States, including iron, steel, and manufactured products offered in the United States.

ARTICLE 5
CIVIL RIGHTS-GENERAL
(49 USC § 47123)

5.1 General Clause that is used for Contracts, Lease Agreements, and Transfer Agreements. In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent

Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

5.2 Specific Clause that is used for General Contract Agreements. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

5.3 Specific Clause that is used for Lease Agreements or Transfer Agreements. If the Contractor transfers its obligation to another, the transferee is obligated in the same manner as the Contractor.

The above provision obligates the Contractor for the period during which the property is owned, used or possessed by the Contractor and the airport remains obligated to the Federal Aviation Administration.

**ARTICLE 6
CIVIL RIGHTS - TITLE VI ASSURANCES
(49 USC § 47123 and FAA Order 1400.11)**

****NOTE: SEE INSTRUCTIONS TO BIDDERS - SECTION 23 FOR SOLICITATION COMPLIANCE.****

6.1 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

6.2 Nondiscrimination Requirements/Title VI Clauses for Compliance.

The Sponsor must include this contract clause in:

- 1) Every contract or agreement (unless the Sponsor has determined, and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities); and
- 2) Service contracts with utility companies that are not already subject to substantively identical nondiscrimination requirements.
- 3) Other types of contracts with utility companies involving property covered by A6.4.2, A6.4.3, or A6.4.4.

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

- 1) **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- 2) **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
- 3) **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
- 4) **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- 5) **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
- 6) **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

6.3 Title VI Clauses for Transfer of Real Property Acquired or Improved Under the Activity, Facility, or Program

This applies to agreements such as leases where a physical portion of the airport is transferred for use—for example a fuel farm, apron space, or a parking facility—and will be included as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Sponsor with other parties for all transfers of real property acquired or improved under the Airport Improvement Program.

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE AIRPORT IMPROVEMENT PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Sponsor pursuant to the provisions of the Airport Improvement Program grant assurances:

- A.** The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add “as a covenant running with the land”] that:
 - 1.** In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- B.** With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, Sponsor will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*
- C.** With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the Sponsor will have the right to enter or re-enter the lands and facilities thereon, and the above-described lands and facilities will there upon revert to and vest in and become the absolute property of the Sponsor) and its assigns*.

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

ARTICLE 7 CLEAN AIR AND WATER POLLUTION CONTROL (2 CFR Part 200, Appendix II(G), 42 USC § 7401, et seq, 33 USC § 1251, et seq)

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 USC

§§ 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceed \$150,000.

ARTICLE 8
CONTRACT WORK HOURS AND SAFETY STANDARDS ACT REQUIREMENTS
(2 CFR Part 200, Appendix II(E), 2 CFR § 5.5(b), 40 USC § 3702, 40 USC § 3704)

CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS

8.1 Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

8.2 Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph (1) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

8.3 Withholding for Unpaid Wages and Liquidated Damages. The Federal Aviation Administration (FAA) or the Owner shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this clause.

8.4 Subcontractors. The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this clause.

ARTICLE 9
COPELAND "ANTI-KICKBACK" ACT
(2 CFR § 200, Appendix II (D) and 29 CFR parts 3 and 5)

Contractor must comply with the requirements of the Copeland "Anti-Kickback" Act (18 USC 874 and 40 USC 3145), as supplemented by Department of Labor regulation 29 CFR part 3. Contractor and subcontractors are prohibited from inducing, by any means, any person employed on the project to give up any part of the compensation to which the employee is entitled. The Contractor and each Subcontractor must submit to the Sponsor, a weekly statement on the wages paid to each employee performing on covered work during the prior week. Sponsor must report any violations of the Act to the Federal Aviation Administration.

ARTICLE 10
DAVIS BACON REQUIREMENTS
(2 CFR Part 200, Appendix II(D), 29 CFR Part 5, 49 USC § 47112(b),
40 USC §§ 3141-3144, 3146, and 3147)

10.1 MINIMUM WAGES.

- a. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalent thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided*, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under (1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can easily be seen by the workers.

- b.
 - i. The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The

contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (a) The work to be performed by the classification requested is not performed by a classification in the wage determination;
 - (b) The classification is utilized in the area by the construction industry; and
 - (c) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- ii. If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
 - iii. In the event the Contractor, the laborers, or mechanics to be employed in the classification, or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
 - iv. The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii) (B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
 - v. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
 - iv. If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, that the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

10.2 Withholding. The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to

be withheld from the Contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the Federal Aviation Administration may, after written notice to the Contractor, Sponsor, Applicant, or Owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

10.3 Payrolls and Basic Records.

- a.** Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker; his or her correct classification; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 1(b)(2)(B) of the Davis-Bacon Act); daily and weekly number of hours worked; deductions made; and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records that show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual costs incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

- b.**
 - i.** The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Federal Aviation Administration if the agency is a party to the contract, but if the agency is not such a party, the Contractor will submit the payrolls to the applicant, Sponsor, or Owner, as the case may be, for transmission to the Federal Aviation Administration. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR § 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (*e.g.*, the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker and shall provide them upon request to the Federal

Aviation Administration if the agency is a party to the contract, but if the agency is not such a party, the Contractor will submit them to the applicant, Sponsor, or Owner, as the case may be, for transmission to the Federal Aviation Administration, the Contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, Sponsor, or Owner).

- ii. Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
 - (a) That the payroll for the payroll period contains the information required to be provided under 29 CFR § 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR § 5.5 (a)(3)(i), and that such information is correct and complete;
 - (b) That each laborer and mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR Part 3;
 - (c) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
 - (d) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (3)(ii)(B) of this section.
 - (e) The falsification of any of the above certifications may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.
- iii. The Contractor or subcontractor shall make the records required under paragraph (3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the Sponsor, the Federal Aviation Administration, or the Department of Labor and shall permit such representatives to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the Contractor, Sponsor, applicant, or Owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR § 5.12.

10.4 Apprentices and Trainees.

- a. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- b. Trainees. Except as provided in 29 CFR § 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination that provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate that is not registered and

participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- c. Equal Employment Opportunity. The utilization of apprentices, trainees, and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

10.5 Compliance with Copeland Act Requirements. The Contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

10.6 Subcontracts. The Contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR §§ 5.5(a)(1) through (10) and such other clauses as the Federal Aviation Administration may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR § 5.5.

10.7 Contract Termination: Debarment. A breach of the contract clauses in paragraph 1 through 10 of this section may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR § 5.12.

10.8 Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

10.9 Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10.10 Certification of Eligibility.

- a. By entering into this contract, the Contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR § 5.12(a)(1).
- b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR § 5.12(a)(1).
- c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 USC § 1001.

ARTICLE 11
DEBARMENT AND SUSPENSION
(2 CFR Part 180 (Subpart B), 2 CFR Part 200, Appendix II(H), 2 CFR Part 1200,
DOT Order 4200.5, Executive Orders 12549 and 12689)

***NOTE: SEE PROPOSAL FOR SOLICITATION COMPLIANCE. ***

CERTIFICATION OF OFFEROR/BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds \$25,000 as a "covered transaction", must confirm each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally-assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: <http://www.sam.gov>.
2. Collecting a certification statement similar to the Certification of Offeror /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

ARTICLE 12
DISADVANTAGED BUSINESS ENTERPRISE
(49 CFR part 26)

Prime Contracts (Projects Covered by a DBE Program)

Contract Assurance (49 CFR § 26.13) - The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- (a) Withholding monthly progress payments;
- (b) Assessing sanctions;

(c) Liquidated damages; and/or

(d) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (49 CFR § 26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than ten (10) days from the receipt of each payment the prime contractor receives from the Sponsor. The prime contractor agrees further to return retainage payments to each subcontractor within ten (10) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Sponsor. This clause applies to both DBE and non-DBE subcontractors.

Termination of DBE Subcontracts (49 CFR § 26.53(f)) – The prime contractor must not terminate a DBE subcontractor listed in response to the Instructions for Bidders, Section 20 (or an approved substitute DBE firm) without prior written consent of Sponsor. This includes, but is not limited to, instances in which the prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

The prime contractor shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains written consent Sponsor. Unless Sponsor consent is provided, the prime contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

Sponsor may provide such written consent only if Sponsor agrees, for reasons stated in the concurrence document, that the prime contractor has good cause to terminate the DBE firm. For purposes of this paragraph, good cause includes the circumstances listed in 49 CFR §26.53.

Before transmitting to Sponsor its request to terminate and/or substitute a DBE subcontractor, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to Sponsor, of its intent to request to terminate and/or substitute, and the reason for the request.

The prime contractor must give the DBE five days to respond to the prime contractor's notice and advise Sponsor and the contractor of the reasons, if any, why it objects to the proposed termination of its subcontract and why the Sponsor should not approve the prime contractor's action. If required in a particular case as a matter of public necessity (e.g., safety), Sponsor may provide a response period shorter than five days.

In addition to post-award terminations, the provisions of this section apply to preaward deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.

ARTICLE 13
DISTRACTED DRIVING
(Executive Order 13513 and DOT Order 3902.10)

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding \$10,000 that involve driving a motor vehicle in performance of work activities associated with the project.

ARTICLE 14
PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND
VIDEO SURVEILLANCE SERVICES OR EQUIPMENT
(2 CFR § 200, Appendix II(K), 2 CFR § 200.216)

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act (Public Law 115-232 § 889(f)(1)).

ARTICLE 15
DRUG FREE WORKPLACE REQUIREMENTS
(49 CFR part 32 and Drug-Free Workplace Act of 1988 (41 USC § 8101-8106, as amended))

NOT APPLICABLE

ARTICLE 16
EQUAL EMPLOYMENT OPPORTUNITY (EEO)
(2 CFR 200, Appendix II(C), 41 CFR § 60-1.4, 41 CFR § 60-4.3, Executive Order 11246)

16.1 EQUAL OPPORTUNITY CLAUSE

16.1.1 During the performance of this contract, the Contractor agrees as follows:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff, or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in

conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

- b.** The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- c.** The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
- d.** The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under this section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e.** The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f.** The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g.** In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- h.** The Contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

16.2 STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS

16.2.1 As used in these specifications:

- a.** “Covered area” means the geographical area described in the solicitation from which this contract resulted;
- b.** “Director” means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;
- c.** “Employer identification number” means the Federal social security number used on the Employer’s Quarterly Federal Tax Return, U.S. Treasury Department Form 941;
- d.** “Minority” includes:
 - (i)** Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
 - (ii)** Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race);
 - (iii)** Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
 - (iv)** American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

16.2.2 Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

16.2.3 If the Contractor is participating (pursuant to 41 CFR part 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan

does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

16.2.4 The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through 7p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in a geographical areas where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

16.2.5 Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

16.2.6 In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

16.2.7 The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

- a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other onsite supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
- b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.
- c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred

back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

- d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.
- e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under 7b above.
- f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.
- g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
- h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other contractors and subcontractors with whom the Contractor does or anticipates doing business.
- i. Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
- j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a contractor's work force.

- k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR part 60-3.
- l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
- m. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.
- n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
- o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
- p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

16.2.8 Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative action obligations (7a through 7p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant may be asserted as fulfilling any one or more of its obligations under 7a through 7p of these specifications provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

16.2.9 A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

16.2.10 The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, sexual orientation, gender identity, or national origin.

16.2.11 The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

16.2.12 The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

16.2.13 The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR part 60-4.8.

16.2.14 The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government, and to keep records. Records shall at least include for each employee, the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

16.2.15 Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g. those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

ARTICLE 17
FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)
(29 USC § 201, et seq, 2 CFR § 200.430)

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The Contractor has full responsibility to monitor compliance to the referenced statute or regulation. The Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

ARTICLE 18
LOBBYING AND INFLUENCING FEDERAL EMPLOYEES
(31 USC § 1352 – Byrd Anti-Lobbying Amendment, 2 CFR part 200, Appendix II(I),
and 49 CFR part 20, Appendix A)

CERTIFICATION REGARDING LOBBYING

18.1 The Bidder or Offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

18.1.1 No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

18.1.2 If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

18.1.3 The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

ARTICLE 19
PROHIBITION OF SEGREGATED FACILITIES
(2 CFR Part 200, Appendix II(C), 41 CFR Part 60-1)

19.1 The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Employment Opportunity clause in this contract.

19.2 "Segregated facilities," as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas,

transportation, and housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

- 19.3** The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Employment Opportunity clause of this contract.

ARTICLE 20
OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970
(29 CFR part 1910)

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

ARTICLE 21
PROCUREMENT OF RECOVERED MATERIALS
(2 CFR § 200.323, 2 CFR Part 200, Appendix II(J), 40 CFR Part 247,
42 USC § 6901, et seq (Resource Conservation and Recovery Act (RCRA)))

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use of products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

- (a) The contract requires procurement of \$10,000 or more of a designated item during the fiscal year; or,
- (b) The contractor has procured \$10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

- (a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
- (b) Fails to meet reasonable contract performance requirements; or

- (c) Is only available at an unreasonable price.

ARTICLE 22
RIGHTS TO INVENTIONS
(2 CFR § 200, Appendix II(F), 37 CFR § 401)

NOT APPLICABLE

ARTICLE 23
SEISMIC SAFETY
(49 CFR Part 41)

- 23.1 Professional Service Agreements for Design.** In the performance of design services, the Contractor agrees to furnish a building design and associated construction specification that conform to a building code standard that provides a level of seismic safety substantially equivalent to standards as established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their building code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety. At the conclusion of the design services, the Contractor agrees to furnish the Sponsor a “certification of compliance” that attests conformance of the building design and the construction specifications with the seismic standards of NEHRP or an equivalent building code.
- 23.2 Construction Contracts.** The Contractor agrees to ensure that all work performed under this contract, including work performed by subcontractors, conforms to a building code standard that provides a level of seismic safety substantially equivalent to standards established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety.

ARTICLE 24
TAX DELINQUENCY AND FELONY CONVICTIONS
(Section 8113 of the Consolidated Appropriations Act, 2022 (Public Law 117-103) and similar provisions in subsequent appropriations acts. DOT Order 4200.6 – Appropriations Act Requirements for Procurement and Non-Procurement Regarding Tax Delinquency and Felony Convictions)

CERTIFICATION OF OFFEROR/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

- (a) The applicant represents that it is () is not (✓) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have

been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

- (b) The applicant represents that it is () is not (✓) a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note: If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the Sponsor about its tax liability or conviction to the Sponsor, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twenty-four (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

ARTICLE 25

TERMINATION OF CONTRACT

(2 CFR Part 200, Appendix II(B), FAA Advisory Circular 150/5370-10, Section 80-09)

TERMINATION FOR CONVENIENCE (CONSTRUCTION & EQUIPMENT CONTRACTS)

The Sponsor may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Sponsor. Upon receipt of a written notice of termination, except as explicitly directed by the Sponsor, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

- (a) Contractor must immediately discontinue work as specified in the written notice.
- (b) Terminate all subcontracts to the extent they relate to the work terminated under the notice.
- (c) Discontinue orders for materials and services except as directed by the written notice.
- (d) Deliver to the Sponsor all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work, and as directed in the written notice.
- (e) Complete performance of the work not terminated by the notice.

- (f) Take action as directed by the Sponsor to protect and preserve property and work related to this contract that Sponsor will take possession.

Sponsor agrees to pay Contractor for:

- (a) completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;
- (b) documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;
- (c) reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
- (d) reasonable and substantiated expenses to the Contractor directly attributable to Sponsor's termination action.

Sponsor will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Sponsor's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

TERMINATION FOR DEFAULT (CONSTRUCTION)

Section 80-09 of FAA Advisory Circular 150/5370-10 establishes conditions, rights, and remedies associated with Sponsor termination of this contract due to default of the Contractor.

TERMINATION FOR DEFAULT (EQUIPMENT)

The Sponsor may, by written notice of default to the Contractor, terminate all or part of this Contract if the Contractor:

- (a) Fails to commence the Work under the Contract within the time specified in the Notice- to-Proceed;
- (b) Fails to make adequate progress as to endanger performance of this Contract in accordance with its terms;
- (c) Fails to make delivery of the equipment within the time specified in the Contract, including any Sponsor approved extensions;
- (d) Fails to comply with material provisions of the Contract;
- (e) Submits certifications made under the Contract and as part of their proposal that include false or fraudulent statements; or
- (f) Becomes insolvent or declares bankruptcy.

If one or more of the stated events occur, the Sponsor will give notice in writing to the Contractor and Surety of its intent to terminate the contract for cause. At the Sponsor's discretion, the notice may allow the Contractor and Surety an opportunity to cure the breach or default.

If within 10 days of the receipt of notice, the Contractor or Surety fails to remedy the breach or default to the satisfaction of the Sponsor, the Sponsor has authority to acquire equipment by other procurement action. The Contractor will be liable to the Sponsor for any excess costs the Sponsor incurs for acquiring such similar equipment.

Payment for completed equipment delivered to and accepted by the Sponsor shall be at the Contract price. The Sponsor may withhold from amounts otherwise due the Contractor for such completed equipment, such sum as the Sponsor determines to be necessary to protect the Sponsor against loss because of Contractor default.

Sponsor will not terminate the Contractor's right to proceed with the Work under this clause if the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such acceptable causes include: acts of God, acts of the Sponsor, acts of another Contractor in the performance of a contract with the Sponsor, and severe weather events that substantially exceed normal conditions for the location.

If, after termination of the Contractor's right to proceed, the Sponsor determines that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the Sponsor issued the termination for the convenience the Sponsor.

The rights and remedies of the Sponsor in this clause are in addition to any other rights and remedies provided by law or under this contract.

ARTICLE 26
TRADE RESTRICTION CLAUSE
(49 USC § 50104, 49 CFR part 30)

****NOTE: SEE PROPOSAL FOR SOLICITATION COMPLIANCE. ****

TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

- (a)** is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);
- (b)** has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and
- (c)** has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC § 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR § 30.17, no contract shall be awarded to an Offeror or subcontractor:

- (a) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR; or
- (b) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list; or
- (c) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

ARTICLE 27
VETERAN'S PREFERENCE
(49 USC § 47112(c))

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 USC 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

ARTICLE 28
DOMESTIC PREFERENCES FOR PROCUREMENTS
(2 CFR § 200.322, 2 CFR Part 200, Appendix II(L))

CERTIFICATION REGARDING DOMESTIC PREFERENCES FOR PROCUREMENTS

The Bidder or Offeror certifies by signing and submitting this bid or proposal that, to the greatest extent practicable, the Bidder or Offeror has provided a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products) in compliance with 2 CFR § 200.322.

ARTICLE 29
CONTRACT DOCUMENTS

The Contract Documents consist of the following:

Invitation for Bids	Instructions to Bidders	Change Orders
Notice of Award	Agreement	Applications for Payment
Performance Bond	EEO Requirements in Subcontracts	Addenda
Proposal	Payment Bond	Wage Rates
Notice to Proceed	Certification of Inclusion of Labor	General Provisions
Technical Specifications	Special Provisions	Construction Safety and Phasing Plan
Plans and Drawings	Construction Management Plan	

These Contract Documents are incorporated herein and are a part of this Agreement.

ARTICLE 30
SCOPE OF WORK

Contractor is to complete the Project in accordance with the Contract Documents and in accordance with all codes and regulations governing the construction of the Project. Any work, materials, or equipment that may be reasonably inferred from the Contract Documents as being required to produce the intended result shall be supplied by Contractor whether or not specifically called for. Reference to standard specifications, manuals, or codes of any technical society, organization or association, or to the laws or regulations of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard, specification, manual, code, or laws or regulations in effect at the time of opening of bids and Contractor shall comply therewith. Sponsor shall have no duties other than those duties and obligations expressly set forth within the Contract Documents.

ARTICLE 31
CONTRACT TIME

Contractor agrees to undertake the performance of the Project on the date stated in the Notice to Proceed as issued by the Sponsor and agrees to fully complete the Project within one hundred twenty (120) calendar days for the Base Bid, Bid Alternatives 1 and 2, unless an extension of time is granted by Sponsor in accordance with the provisions of Section 80, Paragraph 7, of the General Provisions.

**ARTICLE 32
DAMAGES**

- 32.1** It is acknowledged that Contractor's failure to complete the Project within the Contract Time will cause Sponsor to incur substantial economic damages and losses of the types and in the amounts which are significantly difficult to compute and ascertain with any certainty as a basis for the recovery by Sponsor of actual damages, and that liquidated damages represent a fair, reasonable, and appropriate estimate thereof. Accordingly, in lieu of actual damages for such delay, Contractor agrees that liquidated damages may be assessed and recovered by Sponsor as against Contractor and its Surety in the event of delayed completion and without Sponsor being required to present any evidence of the amount or character of actual damages sustained by reason thereof. Contractor shall be liable to Sponsor for payment of liquidated damages in the amount of One Thousand Seven Hundred Fifty and No/100ths Dollars (\$1,750) for each day that the Project is delayed beyond the Contract Time as adjusted for any time extension that may be provided for by the Contract Documents. Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty, and Contractor shall pay them to Sponsor without limiting Sponsor's right to terminate this Agreement for default as provided elsewhere herein. Additionally, Sponsor may hold all or part of any liquidated damages from payments that may be due to Contractor for the Project. The acceptance by Sponsor of such liquidated damages does not constitute a waiver by Sponsor of any other remedy available at law or in equity, and Sponsor expressly reserves its right to pursue any available remedy.
- 32.2** If Contractor fails to comply with any covenants or conditions of this Agreement, Sponsor may take such actions as Sponsor deems necessary to complete the Project using persons and entities selected by Sponsor. If Sponsor's costs of completing the Project exceed any unpaid amounts to Contractor for the Project, upon demand, Contractor shall reimburse Sponsor the difference between the actual cost of completion and the unpaid balance of any amounts that remain to be paid for the Project. Sponsor's rights and remedies under this section are not exclusive and are cumulative with any other rights and remedies Sponsor may have under this Agreement or applicable law. Notwithstanding the foregoing, Sponsor shall have all available rights and remedies pursuant to Nevada's statutes related to the Construction Defect Action Reform Act as well as any and all other applicable federal, state, or local statutes, laws, rules, and/or regulations.

**ARTICLE 33
TERMS OF PAYMENT**

- 33.1** Sponsor agrees to pay Contractor in accordance with the price or prices set forth in Contractor's Proposal, for the total cost of the Project, or the "Contract Price," will be One Million Five Hundred Forty Eight Thousand Seven Hundred Eighty One Dollars and 00/100 (\$1,548,781.57). Partial payments will be made for work completed on the Project during the previous month, as well as for materials (invoice cost only) delivered to the site of the Project and which are properly and suitably stored.
- 33.2** Application for partial payments for stored materials must be accompanied by certified invoices showing all pertinent data that may be required by Armstrong Consultants, Inc. ("Engineer"), to verify the accuracy of the invoices and their relation to the stored materials. Failure to provide certified invoices will disqualify the materials in question from consideration for partial payment. Partial payments for work completed on the Project during the previous month will be made

based on the Contractor's Application for Payment and any Recommendation of Payment made by Engineer. Sponsor will retain, from any partial payments, five percent (5%) of the total amount due to Contractor based on the Contractor's Application for Payment and any Recommendation of Payment made by Engineer. However, nothing herein shall be construed as relieving Contractor and his, her, or its Sureties on the Contractor's Bond from any claim or claims for work or labor done, or materials or supplies furnished, as part of this Agreement and the completion of the Project.

33.3 It is the intent of Sponsor to make any partial payments in the following manner:

33.3.1 The Contractor shall submit to Engineer his Application for Payment no later than the next to last Friday of the month.

33.3.2 Engineer will, within 7 days after receipt, submit the Application for Payment to Sponsor for payment along with its Recommendation of Payment, noting any changes. The Sponsor will then make payment to Contractor when funds are received from the FAA and are available to Sponsor for payment to Contractor.

ARTICLE 34 BONDS & INSURANCE

34.1 At the time of the execution of this Agreement, Contractor shall provide the bonds that are required by the Contract Documents. The Performance Bond will be in an amount not less than one hundred percent (100%) of the Contract Price and shall provide for the completion of the Project in accordance with the Contract Documents, without additional cost to Sponsor. The obligation period of the Performance Bond will provide for the correction or replacement of any portion of the Project that is considered by Sponsor and/or Engineer to be defective in materials and workmanship for a period of one year following final acceptance of the Project, and it shall fully cover any and all of the costs of removal, correction, reconstruction, and any and all other related expenses in repairing or correcting the defective portions of the Project, without additional cost to Sponsor. The Payment Bond will be in an amount not less than one hundred percent (100%) of the Contract Price and it shall provide for the payment of all Project costs in accordance with the Contract Documents, without additional cost to Sponsor.

34.2 Contractor shall obtain, before beginning the Project, and maintain in full force at all times relevant to this Agreement, as well as assure that all persons or entities working on the Project obtain and maintain in full force at all times, insurance for the protection of claims under workers' compensation laws. Prior to commencing work on the Project, Contractor, at Sponsor's request, shall provide Sponsor with a certification of the maintenance of workers' compensation as required by this section. Contractor shall also maintain, in full force at all times relevant to this Agreement, public liability/commercial general liability insurance and property damage insurance for the Contractor and for his Subcontract operations with a limit of at least \$2,000,000. This insurance shall also include coverage for completed operations, contractual liability, and automotive liability and shall afford coverage for all claims for bodily injury, including death, and all claims for the destruction of, or damage to, property arising out of or in connection with any work completed on the Project in regard to this Agreement, whether such work was done by Contractor or anyone directly or indirectly employed by Contractor or by a subcontractor. At a minimum, Public Liability Insurance shall be in the amount of not less than \$2,000,000.00 for injuries,

including accidental death, to any one person, nor less than \$2,000,000.00 on account of any one accident. Property Damage Insurance shall be carried in an amount not less than \$2,000,000.00. Additionally, Contractor shall name Sponsor and Engineer as additional named insureds on these insurance policies, with the exception of the Workers' Compensation Insurance. Contractor, at Sponsor's request, shall provide Sponsor with certificates of these insurance policies. Prior to the completion of the Project, the insurance required under this Agreement cannot be cancelled by Contractor. See Special Provisions for additional insurance information.

ARTICLE 35 BONDING CLAUSES

- 35.1** Contractor agrees to furnish a performance bond for 100 percent of the Contract Price. This bond is to be executed in connection with this Agreement in order to secure fulfillment of all of Contractor's obligations under this Agreement.
- 35.2** Contractor agrees to furnish a payment bond for 100 percent of the Contract Price. This bond is to be executed in connection with this Agreement to ensure payment of all monies owed by Contractor under this Agreement and other Contract Documents.

ARTICLE 36 CHANGE ORDERS

Changes in the scope of work for the Project or the performance of the work under this Agreement and any materials used may be accomplished after execution of the Agreement and without invalidating the Agreement. However, a change order shall be in writing and signed by Sponsor, Contractor, Engineer, and other Funding Agencies as required. Change orders shall include notice to the Sponsor of the increase or decrease in cost as a result thereof. Any revision to the Plans and Specifications that are approved by Sponsor, if any, shall be considered to be a change order that has been approved by Sponsor when delivered to Contractor, requiring no further approval by Sponsor.

ARTICLE 37 DEBRIS REMOVAL

Contractor shall, at all times, keep the work site reasonably free from the accumulation of waste materials or rubbish caused by its operations during its work on the Project. All waste and debris, tools or equipment, and surplus materials or machinery shall be removed as a condition of the substantial completion of the Project.

ARTICLE 38 ATTORNEY'S FEES & PUNITIVE DAMAGES

In the event of litigation or arbitration to resolve any claim made by either party to this Agreement, the prevailing party shall be entitled to its costs and attorney fees incurred as a result of such litigation or arbitration. Each party hereto also intentionally waives all rights to recover punitive or exemplary damages from the other.

**ARTICLE 39
GOVERNING LAW**

This Agreement shall be interpreted and governed in accordance with the laws of the State of Nevada.

**ARTICLE 40
MODIFICATION OF AGREEMENT**

No subsequent modification of the terms of this Agreement shall be valid, binding on the parties, or enforceable unless made in writing and signed by the parties.

**ARTICLE 41
SEVERABILITY**

In the event any part of this Agreement is found to be void, illegal, invalid, or unenforceable under any present or future law, then the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though such part was deleted.

**ARTICLE 42
BINDING EFFECT**

This Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

**ARTICLE 43
HOLD HARMLESS**

Contractor shall release Sponsor and Engineer, and all of their agents, representatives, officers, employees, boards, directors, committees, and commissions, of any liability for, and shall protect, defend, indemnify, and hold Sponsor and Engineer harmless from and against all claims, demands, and causes of action of every kind and character that are asserted or brought on account of bodily injury, death, or damage to property as a result of the actions, omissions, negligence, gross negligence, and/or recklessness of Contractor or Contractor's agents, employees, representatives, invitees, licensees, subcontractors, or subcontractor's subcontractors. Contractor's indemnification obligations under this section shall be without regard to, and without any right to contribution from, any insurance maintained by Contractor. Additionally, Contractor's indemnity obligations under this section shall be supported by insurance, but this insurance requirement shall be a separate and distinct obligation from Contractor's indemnity obligations, and the insurance and indemnity obligations shall be separately and independently enforceable. Further, Contractor's indemnity obligations hereunder are not limited by any insurance coverage Contractor may have.

CAUTION: READ BEFORE SIGNING.

IN WITNESS THEREOF, the parties have executed this Agreement on the date set forth next to their signatures.

Houston Smith Construction, Inc.
CONTRACTOR

By: _____
Authorized Representative

Date: _____

Carson City Airport Authority
SPONSOR

By: _____
Mr. Tim Puliz, Chairman

Date: _____



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: H-1

BOARD MEMO 2023-25

Meeting Date: September 20, 2023

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF CHANGE OF CONTROL OF KCXP INVESTMENTS, LLC FROM TOM GONZALES TO BRADLEY BUSBIN, THE TRUSTEE OF THE GONZALES CHARITABLE REMAINDER UNITRUST TWO.

Staff Summary: Tom Gonzales transferred his membership interests in KCXP Investments, LLC to a Charitable Remainder Trust with Bradley Busbin as Trustee on January 12th, 2018. Bradley Busbin notified airport staff of the change of ownership on June 30, 2023. Per the terms of the lease, a change of ownership of 25% or more is subject to Authority approval. Staff recommends approval.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move to approve a change of control of KCXP Investments, LLC from Tom Gonzales to Bradley Busbin, the trustee of the Gonzales Charitable Remainder Unitrust Two.

CCAA'S Strategic Goal

Management and safety of airport and operations; compliance with NRS 844 and federal requirements

Previous Action and Executive Summary

KCXP Investments, LLC holds two ground leases on the airport. The first lease was executed in August 2005 (Document #342199, commonly referred to as Jet Ranch). The second lease was executed in August 2008 by Mountain West Aviation, LLC and assigned to KCXP Investments in the same year (Document #382385). KCXP Investments, LLC executed an agreement with the Carson City

Airport Authority to postpone or avoid lease termination of the second lease in January 2023.

Busbin Law informed airport staff of the change of control of KCXP Investment, LLC in June of 2023. They provided us with the Assignment and Assumption of Membership Interests that Tom Gonzales transferred all his membership interest in the KCXP Investments, LLC to Bradley Busbin, as Trustee of the Gonzales Charitable Remainder Unitrust Two.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share:

Is it currently budgeted?

Alternatives

Do not approve the transfer of control

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

GONZALES CHARITABLE REMAINDER UNITRUST TWO

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GONZALES CHARITABLE REMAINDER UNITRUST TWO

THIS TRUST AGREEMENT is entered into on this 12th day of JANUARY, 2018, between TOM JOEL GONZALES of Broward County, Florida, as Settlor (the "Settlor"), and, BRADLEY J. BUSBIN, of Orange County, Florida, as initial Trustee (the "Trustee").

WITNESSETH:

The Settlor desires to create a charitable remainder unitrust, within the meaning of Rev. Proc. 2005-52 and 26 U.S.C. Section 664(d)(2) of the Internal Revenue Code of 1986, as amended ("IRC" or the "Code"), for the Charitable Beneficiary (as hereinafter defined) upon the terms and provisions hereinafter set forth. This trust shall be known as the "GONZALES CHARITABLE REMAINDER UNITRUST TWO."

ARTICLE I CHARITABLE REMAINDER UNITRUST

A. Funding of Trust. On the above date, the Settlor hereby transfers and irrevocably assigns to the Trustee the property listed and described in Schedule "A," attached hereto and made a part hereof. The Trustee accepts the property and agrees to hold, manage, and distribute the property, and any property subsequently transferred, under the terms set forth in this Trust Agreement.

B. Unitrust Recipient. The Trustee shall hold the trust property as a single trust for the sole and exclusive benefit of TOM JOEL GONZALES (hereinafter the "Recipient"). References to the Recipient in this Trust Agreement shall be deemed to include the estate of the Recipient with regard to all provisions in this Trust Agreement that describe amounts payable to and/or due from the Recipient. The prior sentence shall not apply to the determination of the last day of the unitrust period.

C. Payment of Unitrust Amount.

In each taxable year of the trust during the unitrust period, the Trustee shall pay to the Recipient a unitrust amount equal to the lesser of: (a) a fixed percentage amount equal to five percent (5%) of the net fair market value of the assets of the trust valued as of the valuation date (hereinafter the "fixed percentage amount described in (a) of Article I, Paragraph C"), or (b) the trust income for the taxable year as defined in 26 U.S.C. Section 643(b) and the applicable regulations. The valuation date is the first day of each taxable year of the trust.

The first date of the unitrust period shall be the date property is transferred to this trust, and the last day of the unitrust period shall be the date of death of the Recipient.

The unitrust amount shall be paid in equal quarter-annual installments on the last day of March, June, September, and December. The unitrust amount shall be paid from income. Any income of the trust for a taxable year in excess of the unitrust amount shall be added to principal.

If, for any year, the net fair market value of the assets of the trust is incorrectly determined, then within a reasonable period after the correct value is finally determined, the Trustee shall pay to the Recipient (in the case of an undervaluation) or receive from the Recipient (in the case of an overvaluation) an amount equal to the difference between the unitrust amount(s) properly payable and the unitrust amount(s) actually paid.

D. Proration of the Unitrust Amount. For a short taxable year and for the taxable year during which the unitrust period ends, the Trustee shall prorate on a daily basis the unitrust amount described in Article I, Paragraph C, or, if an additional contribution is made to the trust, the unitrust amount described in Article I, Paragraph F.

E. Distribution Upon Termination. At the termination of the unitrust period, all of the remaining income and principal of the trust (other than any amount due to the Recipient as otherwise provided herein) shall be distributed to the Charitable Beneficiary, defined as the charitable organizations, whether one or more, designated on Schedule "B". The charitable organizations (whether one or more) that shall be the initial Charitable Beneficiary are set out on Schedule "B" as said Schedule "B" is attached hereto and made a part hereof. Each Charitable Beneficiary must be an organization described in each of 26 U.S.C. § 170(b)(1)(A), 26 U.S.C. § 170(c), 26 U.S.C. § 2055(a), and 26 U.S.C. § 2522(a). Any organization so designated on Schedule "B" which is not an organization described in each of 26 U.S.C. § 170(b)(1)(A), 26 U.S.C. § 170(c), 26 U.S.C. § 2055(a), and 26 U.S.C. § 2522(a) shall be considered for all purposes to have been deleted from Schedule "B" prior to the termination of the trust and, in such case, the property distributable to the Charitable Beneficiary upon the termination of the trust shall be allocated among those organizations designated on Schedule "B" which are described in such Code sections at the time of termination in proportion to the share each one is entitled to receive compared to the shares all are entitled to receive or, if only one organization designated on Schedule "B" is described in such Code sections, entirely to that organization or, if no organization designated on Schedule "B" is described in such Code sections, to such charitable organizations (whether one or more) as are described in such Code sections as the Trustee shall select, and in the proportions as the Trustee shall decide, in the Trustee's sole discretion.

F. Additional Contributions. Notwithstanding Paragraph C of this Article, if any additional contributions are made to the trust after the initial contribution, the unitrust amount for the year in which any additional contribution is made shall be equal to the lesser of (a) a fixed percentage amount equal to five percent (5%) of the sum of (1) the net fair market value of the trust assets as of the valuation date (excluding the assets so added and any post-contribution income from, and appreciation on, such assets during that year) and (2) for each additional contribution during the year, the fair market value of the assets so added as of the valuation date (including any post-contribution income from, and appreciation on, such assets through the valuation date) multiplied by a fraction the numerator of which is the number of days in the period that begins with the date of contribution and ends with the earlier of the last day of the taxable year or the last day of the unitrust period and the denominator of which is the number of days in the period that begins with the first day of such taxable year and ends with the earlier of the last day in such taxable year or the last day of the unitrust period (hereinafter "the fixed percentage amount described in (a) of Article I, Paragraph F") or (b) the trust income for the taxable year as defined in 26 U.S.C. Section 643(b) and the applicable regulations. In a taxable

year in which an additional contribution is made on or after the valuation date, the assets so added shall be valued as of the date of contribution, without regard to any post-contribution income or appreciation, rather than as of the valuation date.

G. Deferral of the Unitrust Payment Allocable to Testamentary Transfer. All property passing to the trust by reason of the death of the Settlor (hereinafter "the testamentary transfer") shall be considered to be a single contribution that is made on the date of the Settlor's death. Notwithstanding the provisions of Paragraphs C and F of this Article, the obligation to pay the unitrust amount with respect to the testamentary transfer shall commence with the date of the Settlor's death. Nevertheless, payment of the unitrust amount with respect to the testamentary transfer may be deferred from the date of the Settlor's death until the end of the taxable year in which the funding of the testamentary transfer is completed. Within a reasonable time after the end of the taxable year in which the testamentary transfer is completed, the Trustee must pay to the Recipient (in the case of an underpayment) or receive from the Recipient (in the case of an overpayment) the difference between any unitrust amounts allocable to the testamentary transfer that were actually paid, plus interest, and the unitrust amounts allocable to the testamentary transfer that were payable, plus interest. The interest shall be computed for any period at the rate of interest, compounded annually, that the federal income tax regulations under 26 U.S.C. Section 664 prescribe for this computation.

H. Unmarketable Assets. Whenever the value of a trust asset must be determined, the Trustee shall determine the value of any assets that are not cash, cash equivalents, or other assets that can be readily sold or exchanged for cash or cash equivalents (hereinafter "unmarketable assets"), by either (a) obtaining a current "qualified appraisal" from a "qualified appraiser," as defined in 26 C.F.R. Sections 1.170A-13(c)(3) and 1.170A-13(c)(5), respectively, or (b) ensuring the valuation of these unmarketable assets is performed exclusively by an Independent Trustee. If the then-serving Trustee is not an Independent Trustee, and a qualified appraisal is not obtained, then the Settlor shall nominate an Independent Trustee by written instrument filed with the trust records to serve for the limited purpose of valuing such unmarketable assets (such Independent Trustee is referred to herein as a "Valuation Trustee"). The Trustee shall nominate a Valuation Trustee if the Settlor fails to do so. The Valuation Trustee shall assume only those duties, obligations and powers of the Trustee which are necessary to enable such Valuation Trustee to value such unmarketable assets.

I. Prohibited Transactions. The Trustee shall not engage in any act of self-dealing within the meaning of 26 U.S.C. Section 4941(d), as modified by 26 U.S.C. Section 4947(a)(2)(A), and shall not make any taxable expenditures within the meaning of 26 U.S.C. Section 4945(d), as modified by 26 U.S.C. Section 4947(a)(2)(A). Furthermore, the Trustee shall not make any investments that jeopardize the exempt purpose of the trust within the meaning of 26 U.S.C. Section 4944, as modified by 26 U.S.C. Section 4947(a)(2)(A), and the Trustee shall not retain any excess business holdings within the meaning of 26 U.S.C. Section 4943, as modified by 26 U.S.C. Section 4947(a)(2)(A). The Trustee shall not permit real estate held in the trust to be occupied as a home by the Settlor or by any family member of the Settlor, and the Trustee shall not invest trust funds in real property to be used as a home for any such person. The Trustee shall also not pay from the trust the funeral expenses of any person.

J. Taxable Year. The taxable year of the trust shall be the calendar year.

K. Investment of Trust Assets. Nothing in this Trust Agreement shall be construed to restrict the Trustee from investing the trust assets in a manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets.

ARTICLE II TRUSTEE NOMINATIONS

A. Successor Trustee. BRADLEY JAMES BUSBIN shall have the power to appoint any additional or successor Trustees.

B. Settlor Prohibited from Serving As Trustee. Notwithstanding any provision of this Trust Agreement to the contrary, the Settlor shall not serve as Trustee of any trust created under this Trust Agreement.

C. Resignation of Trustee. Any Trustee (including a Valuation Trustee) may resign by giving at least thirty (30) days written notice to the Settlor.

E. Vacancy of Trusteeship. If no successor Trustee has been nominated within ninety (90) days of such vacancy or such notice of resignation, then a successor Trustee shall be appointed by a court of competent jurisdiction. Any such successor Trustee may be an individual or a bank with trust powers or a trust company, and if the successor Trustee is a bank with trust powers or a trust company, such Trustee must have (alone or when combined with its parent organization and affiliate) assets beneficially owned by others under its management with a value in excess of One Hundred Million Dollars (\$100,000,000) (U.S.).

F. Involuntary Removal. An individual Trustee, other than the Settlor, shall be treated as having failed to serve or as having ceased to serve as Trustee if such Trustee refuses to arrange for or submit to a mental status examination requested by any interested party, the purpose of which is to determine whether such Trustee should be permitted to continue to serve as Trustee hereunder, provided that such examinations shall not occur more frequently than once every two years.

G. Expenses and Commissions. Every Trustee (including, but not limited to, a Valuation Trustee) shall be reimbursed for the reasonable costs and expenses incurred in connection with such Trustee's duties. Every Trustee (including, but not limited to, a Valuation Trustee, except any individual Trustee who is an officer of the Charitable Beneficiary, shall be entitled to fair and reasonable compensation for services rendered by such Trustee in an amount not exceeding the customary and prevailing charges for services of a similar character at the time and place such services are performed.

H. Independent Trustee. For purposes of this Trust Agreement, the term "Independent Trustee" refers to each individual or corporate fiduciary serving or nominated to serve as Trustee or Co-Trustee of the trust created by this Trust Agreement who satisfies the requirements of 26 C.F.R. Section 1.664-1(a)(7)(iii) and who is neither the Settlor, a non-charitable beneficiary, nor a related or subordinate party to the Settlor, a spouse of the Settlor, or a non-charitable beneficiary (within the meaning of 26 U.S.C. Section 672(c) and the applicable regulations).

I. No Bond. No Trustee acting hereunder shall be required to give bond or other security in any jurisdiction.

J. Trustee Defined. References in this Trust Agreement to the "Trustee" shall mean and include the initial Trustee and any successor or alternate Trustee or Co-Trustees unless a different meaning is required by context or circumstance. Except as otherwise provided in this Trust Agreement, if two or more Trustees are named or serving hereunder and any one or more, but not all, decline or cease to serve for any reason, and no successor Trustee is named herein, then the remaining Trustee or Co-Trustees, as the case may be, shall continue to serve in such capacity.

K. Actions by Co-Trustees. In all matters relating to each trust created under this Trust Agreement, when Co-Trustees are serving, the decision of a majority of the Trustees then serving shall control. Any writing signed by the persons whose decision shall control shall be valid and effective for all purposes as if signed by all such Trustees.

ARTICLE III

IRREVOCABILITY AND LIMITED POWER OF AMENDMENT

Except as otherwise provided in this Article, this trust is irrevocable, and neither the Settlor nor any other person shall have the power to alter, amend, revoke, or terminate any of the provisions contained in this instrument. Notwithstanding the preceding sentence, the Trustee shall have the power, acting alone, to amend this Trust Agreement from time to time in any manner required for the sole purpose of ensuring that the trust qualifies and continues to qualify as a charitable remainder unitrust within the meaning of 26 U.S.C. Section 664(d)(2) and 26 U.S.C. Section 664(d)(3) and the rulings and regulations thereunder.

ARTICLE IV

TRUSTEE PROVISIONS

A. Powers. The Trustee shall have all of the powers and authorities conferred upon trustees by statute or common law in any jurisdiction in which the Trustee may act, including all powers and authorities conferred by the Florida Trust Code and by any future amendments thereto, except for any instance in which such powers and authorities may conflict with the express provisions of this instrument, in which case the provisions of this instrument shall control. In addition to such powers (but always subject to the provisions in this Trust Agreement which limit such powers), any Trustee serving hereunder is specifically authorized:

(1) To retain, in the discretion of the Trustee, any property transferred to the Trustee by the Settlor, including securities of any corporate Trustee, without regard to the duty to diversify investments under the laws governing this trust and without liability for any depreciation or loss occasioned by such retention;

(2) To exchange, sell, convey or lease (including leases for terms exceeding the duration of all trusts created by this Trust Agreement) for cash, property or credit, or to partition, from time to time, publicly or privately, at such prices, on such

terms, times and conditions and by instruments of such character and with such covenants as the Trustee may deem proper, all or any part of the assets of this trust, and no vendee or lessee of the Trustee shall be required to look to the application made by the Trustee of any funds paid to the Trustee;

(3) To borrow money from any source (including any Trustee) and to mortgage, pledge or in any other manner encumber all or any part of the assets of this trust as may be advisable in the judgment of the Trustee for the advantageous administration of the trust;

(4) To invest and reinvest the trust estate in any kind of property whatsoever, real or personal, without regard to the proportion that such property or property of a similar character held may bear to the entire trust estate; provided, however, the standard for assessing the investment performance of a Trustee who is an individual shall be the prudent investor rule in Section 518.11, Fla. Stat. Ann., and such rule shall be applied to the investment performance of the entire portfolio, taking into account the purposes, terms and provisions stated herein, and not the investment performance of any single investment considered apart from the rest of the portfolio;

(5) To employ attorneys, accountants, investment managers, specialists, and such other agents as the Trustee shall deem necessary or desirable; to have the authority to nominate an investment manager or managers to manage all or any part of the trust assets, and to delegate to said manager investment discretion; and such nomination shall include the power to acquire and dispose of such assets; and to charge compensation of such attorneys, accountants, investment advisors, investment managers, specialists, and other agents and any other expenses against the trust;

(6) To register and carry any securities or other property in the name of the Trustee or in the name of the nominee of any Trustee (or to hold any such property unregistered) without increasing or decreasing the fiduciary liability of the Trustee; to exercise any option, right or privilege to purchase or to convert bonds, notes, stocks, securities or other property, and to borrow money for the purpose of exercising any such option, right or privilege; to vote any stock which may be held in the trust; and if two or more Trustees are serving hereunder and no such Trustee is a corporate Trustee, to open any type of account in such a manner that all activities associated with such account may be handled by one of the Co-Trustees acting alone;

(7) To make any distribution required to be made to the Recipient under this Trust Agreement, in either of the following ways if such individual is incapacitated: (i) to such individual directly; or (ii) to the guardian or conservator of such individual's person or property; and

(8) To enter into any transaction on behalf of this trust despite the fact that another party to any such transaction may be (i) an estate of which any Trustee under this Trust Agreement is also a personal representative; or (ii) a business controlled by any Trustee under this Trust Agreement or of which any such Trustee, or any director, officer or employee of any such corporate Trustee, is also a director, officer or employee.

B. Custody and Inspection. All assets, books of account, and records of the trust shall be subject to the exclusive custody of the corporate Trustee (if one is serving). All such assets, books of account, and records shall be made available for inspection at all times during business hours by any person or entity legally entitled to inspect such assets, books of account, and records.

C. Acts of Prior Trustees. Any successor Trustee is relieved of any duty to examine the acts of any prior fiduciary, without the necessity of any court accounting, and any successor Trustee shall be responsible only for those assets which are actually delivered to such Trustee. Any successor Trustee, on executing an acknowledged acceptance of the trusteeship and upon receipt of those assets which are actually delivered to such successor Trustee by the prior Trustee, shall be vested without further act on the part of anyone with all of the estates, titles, rights, powers, duties, immunities, and discretions granted to the prior Trustee.

D. Reliance on Legal Opinion. Any Trustee may rely upon the written opinion of a competent attorney, any facts stated in any instrument in writing and believed true, or any other evidence deemed sufficient. Any Trustee shall be held harmless from any liability for any action such Trustee may take, or for the failure of such Trustee to take any action, if done in good faith and without gross negligence.

ARTICLE V MISCELLANEOUS PROVISIONS

A. Notice. Any notice or election required or permitted to be given by or to a Trustee acting under this Trust Agreement must be given by acknowledged instrument actually delivered to the person or Trustee to whom it is required or permitted to be given. Any notice required or permitted to be given to a person who is incapacitated shall be given to such incapacitated person's guardian or conservator. If such notice concerns a trusteeship, it shall state its effective date and shall be given at least thirty (30) days prior to such effective date, unless such period of notice is waived. Any action permitted to be taken by an incapacitated person shall be taken by such incapacitated person's guardian or conservator.

B. No Life Insurance. The Trustee shall have no power to expend income (as defined for federal income tax purposes under Subpart E of Part I, Subchapter J, Chapter 1, Subtitle A of the Code) to purchase a life insurance policy on the life of the Settlor, any spouse of Settlor, or any person entitled to unitrust payments hereunder.

C. Spendthrift Provisions. The trust created by this Trust Agreement shall be a spendthrift trust to the fullest extent allowed by law. No interest of any beneficiary in the income or principal distributable under the trust created by this Trust Agreement shall be subject to voluntary or involuntary transfer, nor shall such interest be subject to anticipation or assignment by any beneficiary, to the claims of a spouse for support, or to attachment by or to the interference or control of any creditor or assignee of any beneficiary, or be taken or reached by any legal or equitable process in satisfaction of any debt or liability of any beneficiary, and any attempted sale, conveyance, transfer, assignment, mortgage, pledge, or encumbrance of any

interest in such property by any beneficiary hereunder prior to distribution as provided herein shall be void.

D. Allocation of Expenses and Receipts. Except as otherwise provided in this Trust Agreement, the Trustee may determine the manner in which expenses are to be borne and in which receipts are to be credited as between income and principal, and to determine what shall constitute principal or income in accordance with Florida law; provided, however, the Trustee shall, to the extent applicable, adhere to the allocation methods set forth in 26 C.F.R. Section 1.664-1(d)(2) and such other applicable regulations under the Code and the Trustee may give consideration to the Florida Uniform Principal and Income Act (Sections 738.101 to 738.804, Fla. Stat. Ann., or its successor statute) relating to such matters, but shall not be bound by such provisions; provided, further, the Trustee shall not allocate an item of revenue or charge an expense to principal or income in a manner that would constitute a fundamental departure from Florida law within the meaning of 26 C.F.R. Section 1.643(b)-1.

E. Incapacitated. A beneficiary shall be deemed "incapacitated" if the Trustee, in the Trustee's discretion, determines that such beneficiary lacks the ability, due to a physical or mental condition, to manage his or her own personal and financial affairs. A Trustee shall be deemed "incapacitated" if and for as long as (i) a court of competent jurisdiction has made a finding to that effect, (ii) a guardian or conservator of such Trustee's person or estate has been appointed by a court of competent jurisdiction and is serving as such, or (iii) two physicians (licensed to practice medicine in the state where the Trustee is domiciled at the time of the certification, and one of whom shall be board certified in the specialty most closely associated with the cause of the Trustee's incapacity) certify that due to a physical or mental condition such Trustee lacks the ability to manage his or her own personal and financial affairs. An incapacitated Trustee shall be deemed to have regained capacity if there is a finding to that effect by a court of competent jurisdiction or if two physicians (with the same qualifications described above) certify that such Trustee is capable of managing his or her personal and financial affairs.

F. Statement of Intention. This trust is intended to constitute and qualify as a charitable remainder unitrust within the meaning of Rev. Proc. 2005-52 and under the provisions of 26 U.S.C. Section 664(d)(2). All powers given to the Trustee under this instrument which are in conflict with this intention shall be regarded as null and void, and the Trustee shall have only those powers which are consistent with the foregoing intention. The Trustee shall have no power, right, duty or obligation which would result in the failure of this trust to qualify as a charitable remainder unitrust within the meaning of Rev. Proc. 2005-52 and under the provisions of 26 U.S.C. Section 664(d)(2).

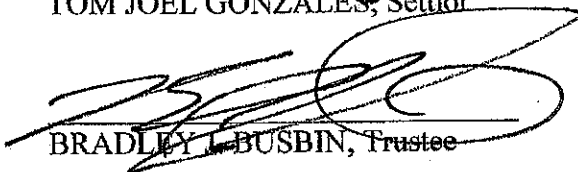
G. Governing Law. The operation of the trust shall be governed by the laws of the State of Florida. However, the Trustee is prohibited from exercising any power or discretion granted under said laws that would be inconsistent with the qualification of this trust as a charitable remainder unitrust under Rev. Proc. 2005-52 and under the provisions of 26 U.S.C. Section 664(d)(2) and the corresponding regulations.

H. Internal Revenue Code. References to various Sections of the "Code" are to such designated Sections of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Settlor and the Trustee have hereunto set their hands as of the date first above written.

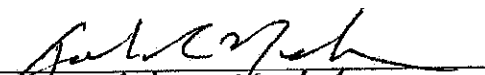
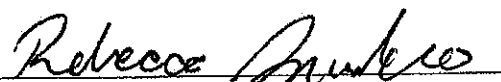


TOM JOEL GONZALES, Settlor



BRADLEY BUSBIN, Trustee

We, the undersigned witnesses, certify that the foregoing instrument was signed by the Settlor in our presence as of the date first above written, and declared by the Settlor to be the GONZALES CHARITABLE REMAINDER UNITRUST TWO, and such instrument was signed by the Trustee in our presence as of the date first above written, and we, the undersigned witnesses, sign our names hereunto as witnesses at the request and in the presence of the Settlor and the Trustee, and in the presence of each other, on the 12th day of JANUARY, 2018.

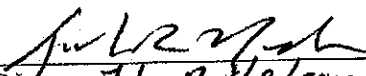

Print Name: John R. Nelson
Print Address: Port Orange, FL
Print Name: Rebecca Zumbro
Print Address: Orlando, FL


STATE OF FLORIDA)
) ss.
COUNTY OF BROWARD)

I, TOM JOEL GONZALES, declare to the officer taking my acknowledgment of this instrument, and to the subscribing witnesses, that I signed this instrument as the GONZALES CHARITABLE REMAINDER UNITRUST TWO.


TOM JOEL GONZALES, Settlor

We, John R Nelson and Rebecca Zumbro, have been sworn by the officer signing below, and declare to that officer on our oaths that the Settlor declared the instrument to be the GONZALES Charitable Remainder Annuity Trust and signed it in our presence and that we each signed the instrument as a witness in the presence of the Settlor and of each other.


Print Name: John R Nelson
Print Address: Port Orange FL


Print Name: Rebecca Zumbro
Print Address: Orlando, FL

STATE OF FLORIDA)
) ss.
COUNTY OF BROWARD)

ACKNOWLEDGED AND SUBSCRIBED before me by the Settlor, TOM JOEL GONZALES, who is ___ personally known to me or who has produced a Florida drivers license type of identification) as identification, and sworn to and subscribed before me by the witnesses, Rebecca Zumbro a witness who is personally known to me or who has ___ produced _____ (type of identification) as identification, and John Nelson, a witness who is

_____ personally known to me, or who has X produced a Florida Drivers License (type of identification) as identification, and subscribed by me in the presence of the Settlor and the subscribing witnesses, all on the 12th day of JANUARY, in the year 2018.

Kaylyn Reinhold
Notary Public: State of Florida
Notary's printed name: Kaylyn Reinhold



SCHEDULE A

GONZALES CHARITABLE REMAINDER UNITRUST TWO

The property transferred by the Settlor to the Trustee pursuant to the attached Trust Agreement is as follows:

Membership Interest in KCXP Investments, LLC a Delaware Limited Liability Company
Membership Interest in BillyBob Holdings, LLC a Florida Limited Liability Company
75% Membership Interest in Whiskey Tango, LLC a Delaware Limited Liability Company

SCHEDULE B

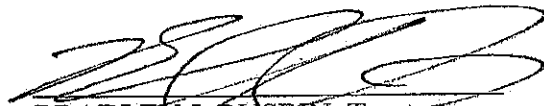
GONZALES CHARITABLE REMAINDER UNITRUST TWO

The charitable organizations (whether one or more) that shall constitute the Charitable Beneficiary of the trust, and the proportions of the trust property that shall be distributable to each upon termination of the trust, are as follows:

Name of Charitable Organization	Proportion
1. <i>Wounded Warrior Project</i>	<i>Seventy-Five</i> percent (75%)
2. <i>Shriners Hospital for Children</i>	<i>Twenty-Five</i> percent (25%)

Executed on this 12 day of JANUARY, 2018.


TOM JOEL GONZALES, Settlor


BRADLEY J. BUSBIN, Trustee

Assignment and Assumption of Membership Interests

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**") is entered into as of the 12th day of January, 2018, by and between TOM JOEL GONZALES ("**Assignor**"), and BRADLEY J. BUSBIN, as Trustee of the Gonzales Charitable Remainder Unitrust Two, dated January 12, 2018, ("**Assignee**").

WHEREAS, Assignor is the owner of a one hundred percent (100%) membership interest in KCXP Investments, LLC, a Delaware limited liability company ("**Company**") pursuant to that certain Limited Liability Company Operating Agreement of the Company, and as may be amended from time to time (the "**Operating Agreement**"); and

WHEREAS, Assignor desires to assign, transfer and sell to Assignee all of his membership interest in the Company, together with all other interest of Assignor in and to the Company (collectively, the "**Assigned Interest**").

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of the Assignor's right, title and interest in and to the Assigned Interest, including all voting, consent and financial rights now or hereafter existing and associated with ownership of the Assigned Interest.
2. Representations and Warranties of Assignor. The Assignor represents and warrants that (a) Assignor is the true and lawful owner of the Assigned Interest and has good title to the same; (b) the Assignor has made no prior assignment or sale of the Assigned Interest and that no other person or entity has any right, title or interest therein; (c) the execution and delivery hereof by the Assignor and the assignment of all its right, title and interest in and to the Assigned Interest does not contravene any agreement to which the Assignor is a party or by which it or its property, or the Company's property, is bound; (d) no liens, encumbrances, charges or security interests of any kind exist on the date hereof against the Assigned Interest; and (e) Assignor hereby warrants and defends title to the Assigned Interest to Assignee against the claims and demands of all persons.
3. Representations and Warranties of Assignee. Assignee has been advised that the Assigned Interest is not registered under the Securities Act of 1933 and represents, warrants and agrees that: (a) Assignee is acquiring the securities represented by the Assigned Interest for its own account, solely for investment purposes, and not with a view to resale of said securities; (b) Assignee has such knowledge and experience in business and financial matters which enables it to be capable of evaluating the risks and merits of this investment; (c) Assignee is able to bear the economic risks of this investment; and (d) Assignee has been provided with access to all information which it deems material to formulating an investment decision and that such information has been sufficient to make an informed decision.
4. Approval. Assignor and Assignee acknowledge that this assignment of Assignor's Assigned Interest is contemplated by the Operating Agreement, and has been approved by the

other Members of the Company, such that no further action will be required to effect this assignment after its execution by Assignor and Assignee, though Assignor will deliver a copy of this Agreement to the Company to keep with its copy of the Operating Agreement.

5. Acceptance by Assignee. Assignee: (a) accepts the assignment of all of Assignor's right, title and interest in and to the Assigned Interest; and (b) agrees to be bound by all of the terms, covenants, and conditions of this Agreement and of the Operating Agreement. Assignee hereby indemnifies and holds Assignor, and its manager, directors, employees, members and agents harmless against any and all losses, costs and expenses (including reasonable attorneys' fees) arising out of any obligations of Assignee relating to the Assigned Interest which occur on or after, or arise from events occurring on or after, the date hereof.

6. Absolute Conveyance. The conveyance of the Assigned Interest hereunder is an absolute transfer to Assignee, free and clear of all liens and restrictions.

7. Further Assurances. Assignor shall promptly execute and deliver to Assignee any additional instrument or other document which Assignee reasonably requests to evidence or better effect the assignment contained herein.

8. Heirs, Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

9. Governing Law. This Agreement and all other instruments referred to herein shall be governed by, and shall be construed according to, the laws of the State of Delaware, without regard to conflict of law rules.

10. Amendments and Modifications. This Agreement may not be modified or amended in any manner other than by a written agreement signed by the party to be charged.

11. Defined Terms. Capitalized terms used herein, but not otherwise defined shall have the meanings ascribed to such terms in the Operating Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Assignor:

Assignee:

TOM JOEL GONZALES

BRADLEY J. BUSBIN, as Trustee of the Gonzales Charitable Remainder Unitrust Two, dated January 12, 2018

STATE OF FLORIDA

)

) ss.

COUNTY OF BROWARD

)

ACKNOWLEDGED AND SUBSCRIBED before me by the Assignor, TOM JOEL GONZALES, ___ who is personally known to me or X who has produced a Florida Drivers License as identification, and by the Assignee, BRADLEY J. BUSBIN, X who is personally known to me or ___ who has produced _____ as identification, , sworn to and subscribed before, all on the 12th day of January, in the year 2018.

Notary Public: State of Florida

Notary's printed name: Kaylyn Reinhold





CCAA BOARD MEMO

Agenda Item: H-2

BOARD MEMO 2023-26

Meeting Date: September 20, 2023

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

Staff Summary: KCXP Investments, LLC would like to complete a lease assignment of APN 005-021-06 to Carson Tahoe Executive, LLC.

Agenda Action: Formal Action/Motion

Time Requested: 10 Minutes

Proposed Action

I move to approve the KCXP Investments, LLC lease assignment to Carson Tahoe Executive, LLC and the assignment of the agreement to postpone or avoid lease termination.

CCAA'S Strategic Goal

Support economic activity in the region.

Executive Summary

When the Airport Authority moved the fuel island in 2008, it moved the hangar storage portion of that lease to an open area along Taxiway C. Per an agreement between the fuel tenant and Tom Gonzales, the Authority approved an assignment of that lease to KCXP Investments, LLC. The lease required that the construction of hangars be completed within 2 years. The real estate market had a steep downturn shortly after and Mr. Gonzales appeared before the Authority to request some leniency on the 2-year requirement, so the Authority told him he could have a few more years to construct. Over the years, requests have been made to Mr. Gonzales to follow through with hangar construction. In December of 2021, the

Airport Manager sent a letter notifying Mr. Gonzales that action would be taken to terminate the lease unless he moved ahead with hangar construction as required by the lease. In January of 2022, Mr. Robert Reid, a hangar manager for KCXP Investments, LLC, contacted the Airport Manager and told him they were working on a development plan with other parties. The airport authority decided to grant additional time for construction with conditions that include quarterly updates and a non-refundable deposit.

Previous Action

September 4, 2008 (Item 3-1) – The Carson City Board of Supervisors approved the original lease and an assignment to KCXP Investments, LLC.

November 16, 2022 (Item H-1) – The Carson City Airport Authority approved a notice of default for KCXP Investments, LLC for failure to develop the land in accordance with the lease

February 15, 2023 (Item H-1) – The Carson City Airport Authority approved an agreement with KCXP Investments to avoid default.

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 assignment.

Approve the assignment with proposed changes.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

APN: _____

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

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT ("**Assignment**") is executed as of _____, and effective as of the Effective Date (as defined below), by and among KCXP INVESTMENTS, LLC, a Delaware limited liability company ("**Assignor**"), CARSON TAHOE EXECUTIVE, LLC, a Nevada limited liability company ("**Assignee**") and CARSON CITY AIRPORT AUTHORITY ("**Landlord**").

- A. Mountain West Aviation, LLC ("**Mountain West**") and Landlord entered into that certain Carson City Airport Lease Agreement effective as of August 20, 2008 (as amended, the "**Ground Lease**") attached hereto as Exhibit A, pursuant to which Landlord agreed to lease to Mountain West and Mountain West agreed to lease from Landlord those certain real property and appurtenant rights identified therein (the "**Leased Premises**").
- B. Assignor assumed the Ground Lease from Mountain West pursuant to an Assignment and Assumption of Ground Lease and Landlord's Consent dated August 23, 2008, to which Landlord consented to such assignment and assumption of the Ground Lease.
- C. Pursuant to Section 9 of the Ground Lease, Landlord's prior written consent is required for any assignment of Assignor's interest the Ground Lease.
- D. Pursuant to that certain Purchase Agreement of Airport Lease (as amended, the "**Purchase Agreement**"), dated as of August 2, 2023 by and among Assignor and Assignee at the Closing (as defined in the Purchase Agreement), Assignor shall assign and transfer to Assignee all of Assignor's right, title and interest, in and to the Leased Premises and the Ground Lease. The Closing Date as used herein shall have its meaning as set forth in the Purchase Agreement.
- E. Landlord further agrees that it will honor with the Assignee the terms of the Agreement to Postpone or Avoid Lease Termination signed by Assignor dated February 15, 2023 and thus waive of default of the Leased Premises pursuant to the terms of that Agreement. Landlord consents to the assignment of the Ground Lease and Leased Premises to Assignee. Landlord

agrees that Assignee is assuming the Ground Lease and taking possession of the Leased Premises without any default and all obligations or duties of the Assignee under the Ground Lease shall commence anew as of the Effective Date of this Assignment, with the exception that the term is unchanged (i.e. 50 years beginning Sept 4, 2008) and is subject to the terms of the Agreement to Postpone or Avoid Lease Termination (i.e. quarterly good faith progress reports/ Feb 1, 2024 and 2025 tasks/ force majeure exceptions allowed).

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's right, title and interest, as tenant in to and under the Ground Lease, to be effective from and after the Closing.
2. Assumption. Assignee hereby assumes all of Assignor's obligations in, to and under the Ground Lease first accruing after the Closing, to be effective upon the Closing.
3. Indemnification. Assignee hereby agrees to indemnify, defend and hold Assignor harmless with respect to any loss or liability, including attorney's fees, resulting from any breach by Assignee of its obligations as tenant under the Ground Lease occurring after the date of Closing. Assignor hereby agrees to indemnify, defend and hold Assignee harmless with respect to any loss or liability, including attorney's fees, resulting from any breach by Assignor of its obligations as tenant under the Ground Lease occurring prior to and up to and including the date of the Closing.
4. Miscellaneous. This Assignment may be executed in counterparts, each of which each of which shall be deemed an original and all of which, taken together, shall be one instrument. This Assignment shall be binding upon the parties and their respective successors and assigns. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Nevada. If any action or proceeding is commenced by either party with respect to this Assignment, the prevailing party in such action or proceeding shall be entitled to recover its costs and expenses incurred in such action or proceeding, including attorney's fees and costs. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one agreement.
5. Effective Date of Assignment. This Assignment shall be effective as of the date the Carson City Airport Authority executes this Assignment and records this Assignment at the Carson City Records Office ("**Effective Date**"). In the event the Closing does not occur for any reason whatsoever, this Assignment shall be null and void and no longer effective.

[Signature Page to Follow]

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

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

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:

By: _____
William Scott Hoen, Clerk Recorder

Approved to as to form.

By: _____
Steven E. Tackes, Esq.
Airport Authority Counsel

Approved to as to form.

By: _____
DISTRICT ATTORNEY

PURCHASE AGREEMENT OF AIRPORT LEASE

THIS PURCHASE AGREEMENT OF AIRPORT LEASE ("Agreement") is made and entered into this 2nd day of August, 2023, by and between KCXP INVESTMENTS, LLC, a Delaware limited liability company ("Assignor"), and CARSON TAHOE EXECUTIVE, LLC, a Nevada limited liability company ("Assignee").

WHEREAS, Assignor, as Tenant, and Carson City Airport Authority ("Landlord") entered into an Assignment titled Assignment and Assumption of Ground Lease and Landlord's Consent dated August 23, 2008 and recorded September 5, 2008 as Document No. 382385, pursuant to a Lease Agreement entitled Carson City Airport Lease Agreement dated August 20, 2008 originally between Mountain West Aviation, LLC and Landlord (the "Lease"); and pursuant to which Landlord agreed to lease that certain real property located at the Carson City Airport identified as 1.5 acres (two 0.75 parcels) as more fully described in the Lease and attached hereto as Exhibit A ("Premises"); and

WHEREAS, Landlord has not yet approved the assignment, but Assignor and Assignee have agreed to work cooperatively to obtain the consent of Landlord to this Assignment; and

WHEREAS, this Agreement is conditioned on the approval of Landlord of the assignment and Assignor and Assignee anticipate the approval of Landlord to the assignment and Assignee's approval and acceptance of any due diligence conducted by Assignee; and,

WHEREAS, Assignor desires to assign all its right, title and interest in the Lease to Assignee and Assignee desires to assume Assignor's obligations under the Lease.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:


1. Assignment. Assignor hereby assigns to Assignee all of its right, title and interest in and to the Lease including any and all prepaids and other rights or entitlements of Assignor under the Lease, subject to all of the terms, covenants, conditions and provisions of the Lease.
2. Assumption. From and after the Closing Date (defined below) hereof, Assignee hereby assumes, covenants and agrees to keep and perform each and every obligation of Assignor under the Lease. Assignee agrees to be bound by each and every provision of the Leases as if it had executed the same.
3. Closing. The closing of this Agreement is conditioned upon the consent and approval of Landlord of the assignment of the Lease from Assignor to Assignee and Assignee's approval and completion of all due diligence conducted by Assignee. The Closing Date of this Agreement shall take place within 30 days after the satisfaction of all the conditions set forth herein. Assignee shall deliver the Purchase Price to Assignor on or before the Closing Date.
4. Conditions to Closing. The closing of this Agreement is conditioned upon the consent and approval of Landlord of the assignment of the Lease from Assignor and Assignee and Assignee's acceptance of all due diligence undertaken by Assignee. The Assignee shall also have received an

appropriate title insurance policy for the leased premises, satisfactory in form and substance to Assignee, evidencing that leased premises is subject to no liens, charges, encumbrances or survey exceptions prior to the Closing Date.

5. Due Diligence Period. Assignee shall have 30 days from the execution of this Agreement to perform all due diligence on the Premises ("Due Diligence Period"). Assignee 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 Assignee for its use of the Premises. Assignor agrees to provide reasonable access to the Premises to Assignee and its agents or permittees as well as deliver to Assignee, without delay, all requested documents, including copies of any title insurance policies for the Premises and any other documents evidencing that the Premises is subject to no liens, charges, encumbrances or survey exceptions. Prior to the end of the Due Diligence Period, Assignee may terminate this Agreement for any reason or no reason by providing written notice (email accepted) to Assignor of Assignee's intent to terminate.
6. Price of Assignment. The price for this assignment and purchase of the Lease shall be [REDACTED] (the "Purchase Price"). Payment of the Purchase Price is conditioned on, and shall be made within 30 days of, the Closing of this Agreement and satisfaction of all conditions herein.
7. Assignor's Representations and Warranties. Assignor represents and warrants to Assignee that:
 - a. the Lease is in full force and effect, unmodified except as provided in this Agreement; Assignor's interest in the Lease is free and clear of any liens, encumbrances or adverse interests of third parties;
 - b. Assignor possesses the requisite legal authority to assign its interest in the Lease as provided herein; subject to obtaining the approval of Landlord.
 - c. There are no sums due and owing by Assignor under the Lease as of the effective date hereof, and there exists no condition of default thereunder not otherwise released or waived by Landlord upon its consent to the assignment.
 - d. Assignor has not conducted any business or operations on the leased premises and represents and warrants that there are no violations or conditions on the leased premises that are not in compliance with all Environmental Laws and Permits as set forth in the Lease.
 - e. Assignor has paid all taxes, assessments, costs, fines, fees or other obligations attributed to the leased premises incurred or imposed prior to the Closing Date.
8. Indemnification. Assignor agrees to indemnify, defend and hold harmless Assignee from any and all claims, demands, taxes, fees and debts due under the Lease prior to the Closing Date and Assignee agrees to indemnify, defend and hold harmless Assignor from any and all claims, demands and debts which may become due under the Lease on or after the Closing Date.

9. Expenses. The parties hereto will bear their separate expenses in connection with this Agreement and its performance.
10. Entire Agreement. This Agreement embodies the entire understanding of the parties hereto and there are no other agreements or understandings written or oral in effect between the parties relating to the subject matter hereof unless expressly referred to by reference herein. This Agreement may be amended or modified only by an instrument of equal formality signed by the parties or their duly authorized agents.
11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada and each of the parties hereto submits to the non-exclusive jurisdiction of the courts of the State of Nevada in connection with any disputes arising out of this Agreement.
12. Successors and Assigns. This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.
13. Attorneys' Fees. In the event of a dispute arising under this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees.
14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

ASSIGNOR:	ASSIGNEE:
KCXP INVESTMENTS, LLC, a Delaware limited liability company	CARSON TAHOE EXECUTIVE, LLC, a Nevada limited liability company
DocuSigned by:  By: _____ <small>480F6B6100A3443...</small> Name: Bradley J. Busbin Title: Manager	By: _____ Name: _____ Title: _____
By: _____ Name: Tom Gonzales	

APN: _____

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

ASSIGNMENT AND ASSUMPTION AGREEMENT TO POSTPONE OR AVOID LEASE TERMINATION

THIS ASSIGNMENT AND ASSUMPTION OF AGREEMENT TO POSTPONE OR AVOID LEASE TERMINATION ("**Assignment to Avoid Lease Termination**") is executed as of _____, 2023, and effective as of the Effective Date (as defined below), by and among KCXP INVESTMENTS, LLC, a Delaware limited liability company ("**Assignor**"), CARSON TAHOE EXECUTIVE, LLC, a Nevada limited liability company ("**Assignee**") and CARSON CITY AIRPORT AUTHORITY ("**Landlord**").

- A. Assignor and Landlord entered into that certain Agreement to Postpone or Avoid Lease Termination dated February 15, 2023 ("**Postponement Agreement**"), wherein Assignor undertook certain obligations and commitments to perform under a certain lease agreement held under document No. 382385, recorded September 5, 2008 (the "**Lease**").
- B. Assignor having previously assigned the Lease to Assignee pursuant to that certain Purchase Agreement of Airport Lease (the "**Purchase Agreement**") and conditioned on approval from the Landlord by way of an Assignment and Assumption of Ground Lease and Landlord's Consent dated June 2, 2023 ("**Lease Assignment Agreement**")
- C. Upon consent from Landlord of the Lease Assignment Agreement and this Assignment to Avoid Lease Termination, Assignor shall assign and transfer to Assignee all of Assignor's rights, title, interests, obligations and commitments set forth tin the Postponement Agreement.
- D. Whereby, upon execution of this Assignment to Avoid Lease Termination and the Lease Assignment Agreement, Assignor shall be bound to the terms and obligations set forth in the Postponement Agreement and shall have the same commitments, obligations and rights as the Assignor in that Postponement Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's rights, title, interest, obligations and commitments as set forth in the Postponement Agreement, to be effective from and after the Closing of the Purchase Agreement.

2. Assumption. Assignee hereby assumes all of Assignor's obligations and commitment in, to and under the Postponement Agreement after the Closing of the Purchase Agreement.

3. Representation and Warranty. Assignor represents and warrants that it has paid a non-refundable deposit of \$25,000 to Landlord as set forth in the Postponement Agreement, which amount shall be applied to offset lease rent obligations upon the completion of construction on the premises. Landlord hereby represents and warrants that it has received the \$25,000 non-refundable payment from Assignor and shall apply such amount to the lease rent obligations upon completion of construction on the premises as set forth in the Postponement Agreement, which shall be for the benefit of Assignee as the assumed tenant.

4. Miscellaneous. This Assignment to Avoid Lease Termination may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall be one instrument. This Assignment to Avoid Lease Termination shall be binding upon the parties and their respective successors and assigns. This Assignment to Avoid Lease Termination shall be governed by and interpreted in accordance with the laws of the State of Nevada. If any action or proceeding is commenced by either party with respect to this Assignment, the prevailing party in such action or proceeding shall be entitled to recover its costs and expenses incurred in such action or proceeding, including attorney's fees and costs. This Assignment to Avoid Lease Termination may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one agreement.

5. Effective Date of Assignment. This Assignment shall be effective as of the date the Carson City Airport Authority executes this Assignment and records this Assignment at the Carson City Records Office ("**Effective Date**"). In the event the Closing of the Purchase Agreement does not occur for any reason whatsoever, this Assignment shall be null and void and no longer effective.

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

ASSIGNOR:

ASSIGNEE:

KCXP INVESTMENTS, LLC,
a Delaware limited liability company

CARSON TAHOE EXECUTIVE, LLC
a Nevada limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED BY:

CARSON CITY AIRPORT AUTHORITY

By: _____

Name: _____

Title: _____

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: _____

ATTEST:

CITY'S LEGAL COUNSEL
Approved to as to form.

*****, Clerk Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved to as to form.

Steven E. Tackes, Esq.

APN 005-021-06

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

**AGREEMENT TO POSTPONE OR AVOID LEASE TERMINATION
CARSON CITY AIRPORT - KCXP Investments LLC; Taxiway C lease**

This Agreement between the CARSON CITY AIRPORT AUTHORITY (CCAA), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706, and KCXP INVESTMENTS LLC (Tenant), whose address is 20250 SE Hwy 42, Umatilla, FL 32784 is made to document the agreement reached at the meeting of the CCAA on January 18, 2023 during which the CCAA and Tenant agreed as follows:

CCAA will postpone or avoid completely the Termination of Tenant's Taxiway C Lease which is held under document No. 382385, recorded September 5, 2008, for failure to timely construct:


1. Tenant will proceed with plans to construct a hangar system on the leasehold, and provide written progress reports quarterly to the Airport Manager showing good faith progress by Tenant.
2. Tenant will pay a non-refundable deposit of \$25,000, no later than 5 days after CCAA approval of this Agreement, which can be applied to rent payments upon completion of all construction.
3. Tenant will complete construction plans and submit them to the CCAA and governmental offices for approval within 1 year, i.e. by Feb 1, 2024, subject to Force Majeure below.
4. Tenant will complete all construction within 2 years, i.e. by Feb 1, 2025.
5. Force Majeure: The construction plan filing and commencement deadlines shall be extended for such period of time as construction is prevented or delayed due to strikes, labor disputes, supply chain/vendor delays, fire, earthquake, floods and other out of the ordinary actions of the elements, pandemic, enemy invasion, wars, insurrection, sabotage, laws, orders or actions of governmental, civil or military authorities, governmental restrictions, riot, civil commotion and unavoidable casualty (an "Excusable Delay"). Tenant shall provide CCAA with written notice within 5 days of such event causing the prevention of Tenant's ability to meet the deadline.

Absent an Excusable Delay and notice to CCAA, in the event that the Tenant fails to provide the progress reports or meet the construction deadlines (plans and construction), the deposit will be forfeited to the CCAA and the lease will terminate.



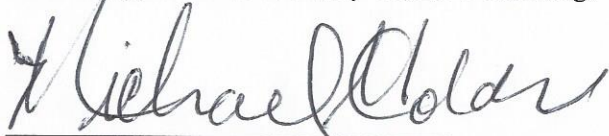

COREY JENKINS, Airport Manager

Dated 2/15/23


TOM GONZALES, KCXP Investments, LLC

Dated 2/13/2023

CCAA Approved at February 15, 2023 Meeting:



Michael Golden, Chairman Feb 15, 2023

APN N/A

APN _____

APN _____

RECORDED AT THE
REQUEST OF

CARSON CITY CLERK TO

THE BOARD

2008 SEP - 5 AM 9:51

FILE NO. 382385

ALAN GLOVER

CARSON CITY RECORDER

FEES NC DEP 52

FOR RECORDER'S USE ONLY

Assignment of Ground Lease
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

Print Name & Title

WHEN RECORDED MAIL TO:

**CARSON CITY CLERK TO
THE BOARD**

382385

ASSIGNMENT OF GROUND LEASE

APN: _____

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

KCXP INVESTMENTS, LLC
134 Lakes Boulevard
Dayton, Nevada 89043
Attention: George Reinhardt

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT ("Assignment"), is executed as of Aug 23, 2008, and effective as of the Effective Date (as defined below), by and among MOUNTAIN WEST AVIATION, LLC, LLC, a Nevada limited liability company ("Assignor"), KCXP INVESTMENTS, LLC, a Delaware limited liability company ("Assignee"), and CARSON CITY AIRPORT AUTHORITY ("Landlord").

- A. Assignor and Landlord entered into that certain Carson City Airport Lease Agreement effective as of the Effective Date (as amended, the "Ground Lease") between Carson City Airport Authority ("Landlord") attached hereto as Exhibit "A", pursuant to which Landlord agreed to lease to Assignor and Assignor agreed to lease from Landlord those certain real property and appurtenant rights identified therein (the "Leased Premises").
- B. Pursuant to numbered section 9 of the Ground Lease, Landlord's prior written consent is required for any assignment of Assignor's interest the Ground Lease.
- C. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions (as amended the "Purchase Agreement"), dated as of August 21, 2008 by and among Assignor as "Seller" and Assignee, as "Purchaser," at the Closing (as defined in the Purchase Agreement), Assignor shall assign and transfer to Assignee all of Assignor's right, title and interest, in and to the Leased Premises and the Ground Lease. The Closing Date as used herein shall have its meaning as set forth in the Purchase Agreement.
- D. Landlord has agreed to the assignment of the Ground Lease from Assignor to Assignee, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's right, title and interest, as tenant, in, to and under the Ground Lease, to be effective from and after the Closing.
2. Assumption. Assignee hereby assumes all of Assignor's obligations in, to and under the Ground Lease first accruing after the Closing, to be effective upon the Closing.

382385

3. Indemnification. Assignee hereby agrees to indemnify, defend and hold Assignor harmless with respect to any loss or liability resulting from any breach by Assignee of its obligations as tenant under the Ground Lease occurring after the date of the Closing. Assignor hereby agrees to indemnify, defend and hold Assignee harmless with respect to any loss or liability resulting from any breach by Assignor of its obligations as tenant under the Ground Lease occurring up to and including the date of the Closing.

4. Miscellaneous. This Assignment may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall be one instrument. This Assignment shall be binding upon the parties and their respective successors and assigns. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Nevada. If any action or proceeding is commenced by either party with respect to this Assignment, the prevailing party in such action or proceeding shall be entitled to recover its costs and expenses incurred in such action or proceeding, including attorney's fees and costs. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one agreement.

5. Effective Date of Assignment. This Assignment shall be effective as of the date the Carson City Airport Authority executes this Assignment and records this Assignment at the Carson City Records Office ("**Effective Date**"). In the event the Closing does not occur for any reason whatsoever, this Assignment shall be null and void and no longer effective.

(Remainder of Page Left Intentionally Blank)

382385

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

ASSIGNOR:

MOUNTAIN WEST AVIATION, LLC,
a Nevada limited liability company

By: [Signature]
Name: Michael Gordon
Title: Managing Agent

ASSIGNEE:

KCXP INVESTMENTS, LLC,
a Delaware limited liability company

By: [Signature]
Name: Tom Gonzales
Title: Member

CONSENTED TO BY:

CARSON CITY AIRPORT AUTHORITY

By: [Signature]
Name: S.W. Lewis
Title: Chairman

382385

STATE OF ~~NEVADA~~ FLORIDA

COUNTY OF _____

This instrument was acknowledged before me on Aug 20th, 2008, by YOUNG & RUBICAM as MANAGER of KCXP Investments LLC

[Signature]

Notary Public

My commission expires: 4/29/12

NOTARY PUBLIC STATE OF FLORIDA
Brandon Shawn Norris
Commission # DD801473
Expires: JUNE 29, 2012
ATLANTIC BONDING CO., INC.

STATE OF NEVADA

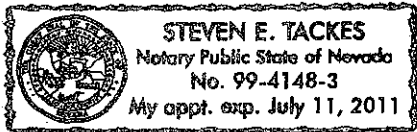
COUNTY OF CARSON CITY

This instrument was acknowledged before me on Aug 25, 2008, by Michael Golden as Managing Agent of Mountain West Aviation, LLC

[Signature]

Notary Public

My commission expires: July 11, 2011



STATE OF NEVADA

COUNTY OF _____

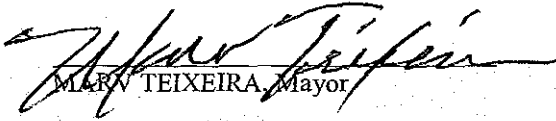
This instrument was acknowledged before me on _____, 2008, by _____ as _____ of _____.

Notary Public

My commission expires: _____

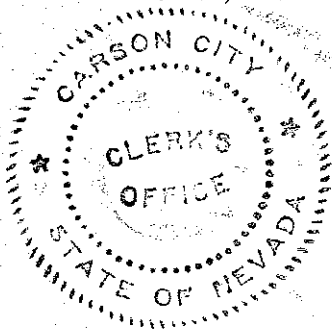
CARSON CITY

Approved by the Board of Supervisors this 4th day of September, 2008.


MERV TEIXEIRA, Mayor

ATTEST:

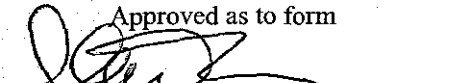

ALAN GLOVER, Clerk/Recorder



CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.

382385

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE NEVADA STATE PLANE COORDINATE SYSTEM, MODIFIED GRID, AS SHOWN ON THE RECORD OF SURVEY RS 2254, DOC. NO. 330854

REFERENCE

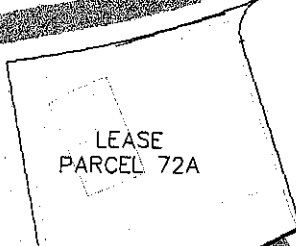
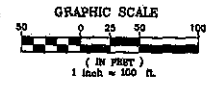
(N) RECORD OF SURVEY RS 2254 - DOC. NO. 330854

SURVEYOR'S NOTE

ALL INTERNAL DIMENSIONS SHOWN ARE PER RECORD OF SURVEY NO. 2150, FILED IN THE CARSON CITY RECORDS OFFICE AS DOC # 186154

GOLDEN LEASE PARCEL DESCRIPTION FOR CARSON CITY AIRPORT

BEING A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 20 EAST M.D.B & M. WITHIN CARSON CITY COUNTY, NEVADA



LEASE PARCEL 72A

BOUNDARY LINE OF AIRPORT

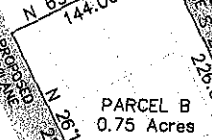
24' PROPOSED PERIMETER ROAD

TRUE POINT OF BEGINNING PARCEL B

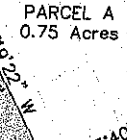
TRUE POINT OF BEGINNING PARCEL A

AIRPORT STRUCTURES LEASE PARCEL 209A

JET RANCH LEASE PARCEL 207



PARCEL B 0.75 Acres



PARCEL A 0.75 Acres

S 43°51'12.74\"/>

382385

LEASE PARCEL EXHIBIT FOR CARSON CITY AIRPORT BEING PORTION OF THE EAST HALF OF SECTION 4, T.15 N., R. 20 E., M.D.B & M. CARSON CITY COUNTY, NEVADA



555 DOUBLE EAGLE COURT, SUITE 2000 RENO, NEVADA 89521-8991 (775)828-1622

AUGUST, 2008

SHEET 1 OF 1

EXHIBIT A

Carson City Airport Lease Agreement

(See Attached)

382385

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 20th day of August, 2008, between Carson City (property owner), Carson City Airport Authority (Landlord), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706, and MOUNTAIN WEST AVIATION, LLC., (Tenant), whose address is PO Box 1695, Crystal Bay, Nevada 89402.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to bifurcate Tenant's existing lease (on LP 44 and LP 45, recorded as Document Nos. 191541 and 368759, Carson City Records) into a reduced size fuel lease and this 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 1.5 acres (two .75 acre areas) west of the Airport Structures lease and adjacent to Taxiway C, as set forth on the Record of Survey Map recorded February 29, 1996, 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 approval by the Carson City Board of Supervisors hereunder.

3. RENT. Tenant shall pay to Landlord:

A. \$6,364.12 per year (\$530.34 per month); calculated as \$0.0974 per square foot per year for the entire leased area (65,340 sq. ft.) Rent shall be payable monthly with the first year's payment due in advance and with payments thereafter due on the first day of each month. Tenant shall be responsible for the paving of ramp and taxilane area within the leasehold boundaries.

B. Tenant shall pay \$12,000, per acre leased, in utilities infrastructure fees to utilize the utility plant previously installed on the Airport at the expense of the Airport Authority, separate and apart from any hookup fees assessed by the Carson City Utility Department.

C. Tenant shall install, at Tenant's cost, utilities infrastructure and paving in conformance with the engineering design approved by the Authority for this area.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 2008, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the Price Index) for the preceding two year period. The Price Index shall mean the average for "all items" shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. Landlord shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December 2007 is 155.0 (1982-1984=100) and for December 2005 is 150.0, then the rent would be adjusted by the difference(155.0-150.0) divided by 150.0 which equals a 3.3% increase.

5. IMPROVEMENTS. Tenant shall commence construction of the subject improvement as set forth in Exhibit B to this lease with construction completed within 2 years of execution of this Lease. Tenant shall, within 180 days of execution of this Lease, conduct a record of survey in coordination with Landlord to enable issuance by the Carson City Assessor of an APN (parcel number) which is a prerequisite for City permits (building, etc.). Such record of survey shall be at Tenant's expense.

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

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

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. Violation of Tenant or its contractors, and/or subcontractors of the terms and conditions of this Agreement, as determined by Landlord at its sole discretion. If such default is not cured, within ten (10) days after written notice thereof form

Landlord to Tenant, Landlord may, at its sole discretion, suspend or terminate this Agreement.

D. Failure of Tenant to abide by all applicable laws, ordinances, rules and regulations of the United States, State of Nevada, or Carson City.

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.

G. Failure to provide the required certificates of insurance if such failure continues after 10 days written notice.

H. Failure to complete construction of the facilities as required by this Lease and any exhibits or amendments thereto, or extensions granted by action of the Airport Authority at a publicly noticed meeting. Landlord may terminate this Lease under this subsection H at its sole discretion, with thirty (30) days written notice of its intention to terminate this Lease.

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. Such rights and remedies may be exercised and enforced concurrently and whenever and as often as deemed advisable. Any amount paid or expense or liability incurred by the Landlord for the account of Tenant may be deemed to be additional charges and the same may, at the option of Landlord, be added to any amounts then due or thereafter falling due.

A. Penalties. Landlord or City may assess any penalties permitted under Carson City Municipal Code Title 19, or any penalties otherwise provided by law if the default constitutes a violation of law.

B. 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. During the period Tenant is in default, Landlord can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

If Landlord elects to relet the premises as provided in this paragraph, rent that Landlord receives from reletting shall be applied to the payment of:

First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

Second, all costs, including maintenance, incurred by Landlord in reletting;

Third, rent due and unpaid under this lease, after deducting the payments referred to in this paragraph, any sum remaining from the rent Landlord received from reletting shall be held by Landlord and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from reletting is less than the rent due on the date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs including for maintenance Landlord incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

C. 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 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. No person may live in, or otherwise inhabit, any hangars constructed on the property leased. AIRCRAFT- All aircraft stored on the leased area must be registered as personal property in Carson City, Nevada, unless such aircraft are transient and are not on the leased area for more than 21 days. Tenant shall supply Landlord with evidence of the registration and taxation information on the one year anniversaries of this lease, or upon such shorter period as may be requested by the Airport Manager.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the taxiways 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 and any rules or security regulations which may have been established or shall be established in the future by the FAA, the Transportation Security Administration (TSA) or the State of Nevada. To the extent that the Airport

utilizes a key card or other gate control system, and charges Airport users for such system, Tenant shall be entitled to use the system upon the same terms, conditions and charges as other Airport users.

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 buildings that is a part of the premises. Exported material must be approved by the Landlord as to placement or sale. Tenant acknowledges that Landlord is the owner of the dirt material in place at the time of lease. 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. The Tenant acknowledges that the Airport is the recipient of FAA Airport Improvement Program funds and other federal funds. The Tenant shall take no action which violates or causes others to violate the Assurances granted to the FAA in conjunction with such federal funding. Such assurances include, but are not limited to compliance with:

- a. Title 49, USC, subtitle VII, as amended.
- b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.
- c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- d. Hatch Act - 5 U.S.C. 1501, et seq. (if applicable)
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq
- f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).
- g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.

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- h. Native Americans Grave Repatriation Act -25 U.S.C. Section 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.1
- l. Title 49 ,U.S.C., Section 303, (formerly known as Section 4(f))
- m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
- n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
- o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- p. American Indian Religious Freedom Act, P.L. 95-341, as amended
- q. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.
- r. Power plant and Industrial Fuel Use Act of 1978 -Section 403- 2 U.S.C. 8373.
- s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
- t. Copeland Anti kickback Act - 18 U.S.C. 874.1
- u. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq. (if applicable)
- x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.
- y. Such Executive Orders as may be applicable to FAA AIP funding.
- z. Such Federal Regulations as may be applicable to FAA AIP funding, and such other OMB Circulars as may apply and are listed at [http://www.faa.gov/airports_airtraffic/airports/aip/grant_assurances/medi a/airport_sponsor_assurances.pdf](http://www.faa.gov/airports_airtraffic/airports/aip/grant_assurances/medi%20a/airport_sponsor_assurances.pdf) or such updated listing at the official website maintained by the FAA.

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,

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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 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.

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 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.

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:

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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.

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.

D. Insurance to remain in effect. Tenant agrees to keep all insurance policies in effect, as required by this Lease, until the time Tenant surrenders the premises.

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 environment 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 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 the 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.

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, or upon termination of this lease, 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.

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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.

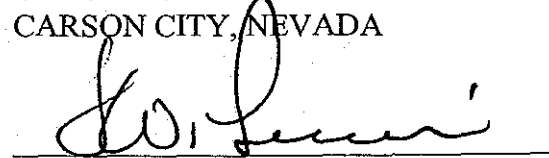
20. ADDITIONAL CONDITIONS. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A. Unless otherwise provided, all construction materials, appearance, and building size shall be completed as represented in the bid submissions.

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TENANT
MOUNTAIN WEST AVIATION, LLC,


Michael Golden, LLC Manager

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


Steve Lewis, CHAIRMAN

ATTEST:

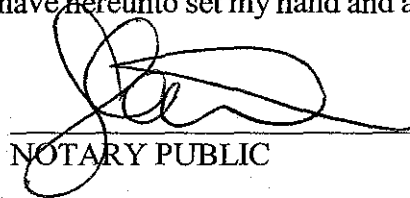

Collie Hutter, TREASURER

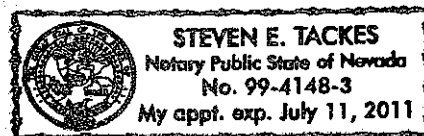
STATE OF NEVADA)

COUNTY OF Carson City)^{SS}

On this 25th day of August, 2008, before me, the undersigned, a Notary Public, personally appeared Michael Golden, President of, or Managing Member of MOUNTAIN WEST AVIATION, 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.

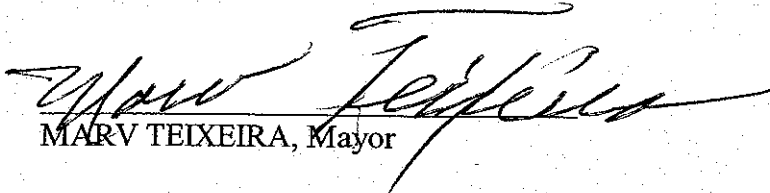

NOTARY PUBLIC (SEAL)



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CARSON CITY

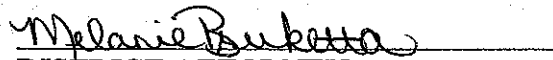
Approved by the Board of Supervisors this 4th day of September, 2008.

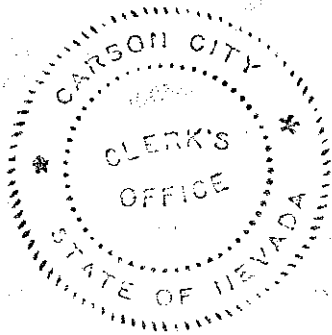

MARV TELXEIRA, Mayor

ATTEST:

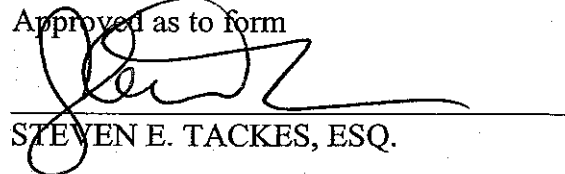

ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY



AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.

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**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 HANGARS 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.

Exhibit A
Legal description and map

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE NEVADA STATE PLANE COORDINATE SYSTEM, MODIFIED GRID, AS SHOWN ON THE RECORD OF SURVEY RS 2254, DOC. NO. 330854

REFERENCE

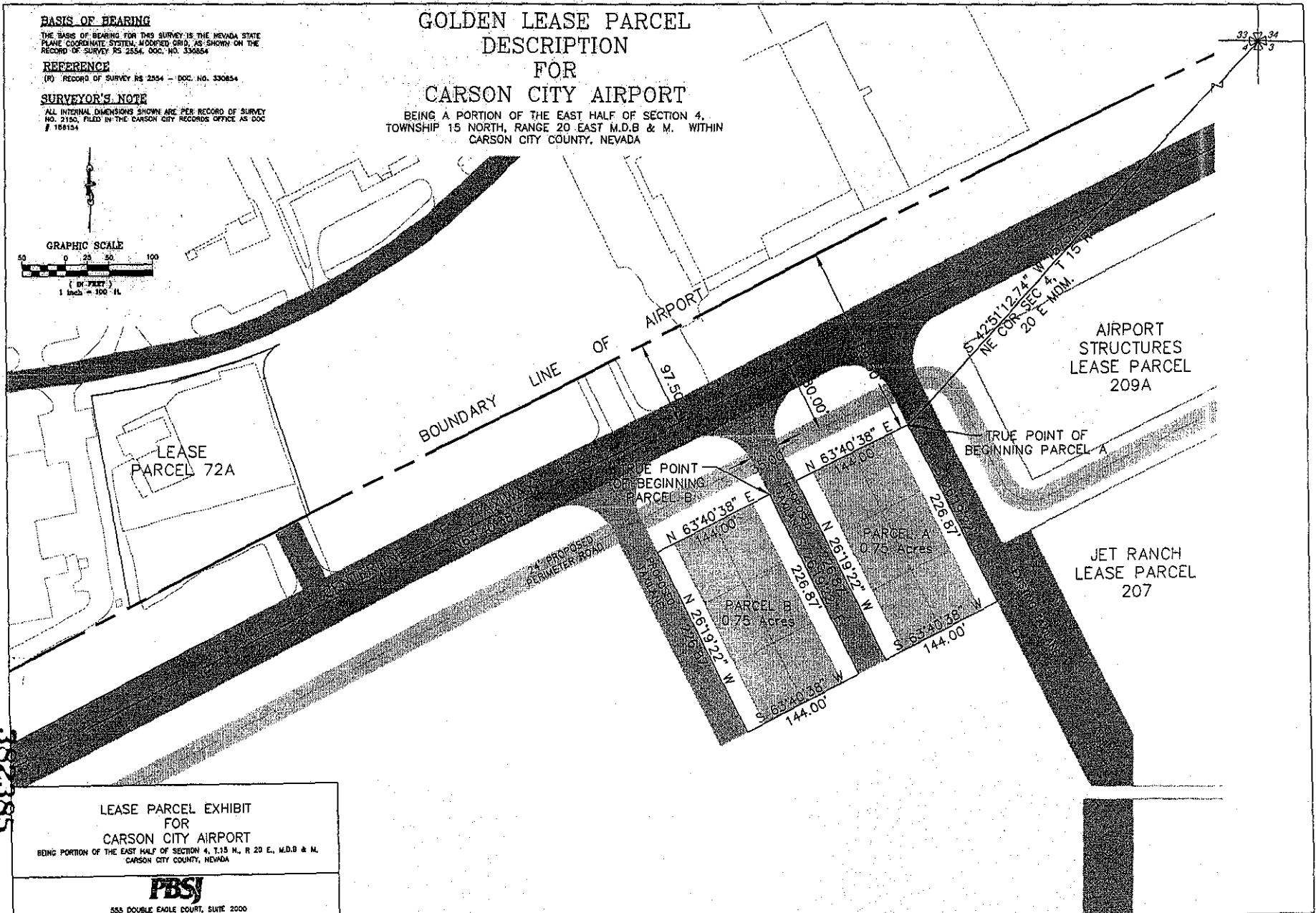
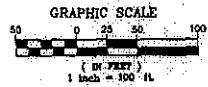
(R) RECORD OF SURVEY RS 2254 - DOC. NO. 330854

SURVEYOR'S NOTE

ALL INTERNAL DIMENSIONS SHOWN ARE PER RECORD OF SURVEY NO. 2150, FILED IN THE CARSON CITY RECORDS OFFICE AS DOC # 156124

GOLDEN LEASE PARCEL DESCRIPTION FOR CARSON CITY AIRPORT

BEING A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 20 EAST M.D.B & M. WITHIN CARSON CITY COUNTY, NEVADA



382385

LEASE PARCEL EXHIBIT FOR CARSON CITY AIRPORT

BEING PORTION OF THE EAST HALF OF SECTION 4, T.15 N., R. 20 E., M.D.B & M. CARSON CITY COUNTY, NEVADA



555 DOUBLE EAGLE COURT, SUITE 2000
RENO, NEVADA 89521-8991
(775)828-1822

AUGUST, 2008

SHEET 1 OF 1



August 14, 2008
MB/BF

Golden Lease Parcel Description

All that portion of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the northeast corner of said Section 4, thence, South $42^{\circ}51'12.74''$ West 1575.44 feet to the TRUE POINT OF BEGINNING of this description; thence, South $26^{\circ}19'22''$ East 226.87 feet; thence South $63^{\circ}40'38''$ West 144.00 feet; thence North $26^{\circ}19'22''$ West 226.87 feet; thence, North $63^{\circ}40'38''$ East 144.00 feet, to the point of beginning.

Together with the following described parcel:

Commencing at the northeast corner of said Section 4, thence, South $42^{\circ}51'12.74''$ West 1575.44 feet; thence South $63^{\circ}40'38''$ West 179.00 feet to the TRUE POINT OF BEGINNING of this description; thence, South $26^{\circ}19'22''$ East 226.87 feet; thence South $63^{\circ}40'38''$ West 144.00 feet; thence North $26^{\circ}19'22''$ West 226.87 feet; thence, North $63^{\circ}40'38''$ East 144.00 feet, to the point of beginning.

Containing 1.50 acres, more or less.

The basis of bearings for this description is Nevada State Plane, West Zone.

382385

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 shall cause any contract with any contractor, designer or other person providing work, labor or materials to the Premises to include the following clause:

“Contractor agrees on behalf of itself, its subcontractors, suppliers and consultants and their employees, that there is no legal right to file a lien upon City-owned property (Airport), and will not file a mechanic's lien or otherwise assert any claim against City's real estate on account of any work done, labor performed or materials furnished under this contract. Contractor agrees to indemnify, defend and hold the Airport Authority and City harmless from any liens filed upon City's property and shall promptly take all necessary legal action to ensure the removal of any such lien at Contractor's sole cost.”

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.

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.

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and of record in my office.

Date September 25, 2008

Alan Glover
ALAN GLOVER, Clerk-Recorder
Carson City, Nevada

By [Signature] Deputy

Per NRS 239 Sec.6 the SSN may be redacted, but in no way affects the legality of the document.

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382385



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.**

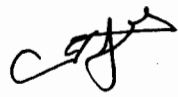
The parties acknowledge that the lease is fully paid as a result of the transfer to Carson City on behalf of Landlord of the 1.19 acre parcel identified by the parties as the land exchanged for the lease.

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:

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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

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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

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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.

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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.

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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.

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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

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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.

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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



CARSON CITY

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



MARV TEIXEIRA, Mayor

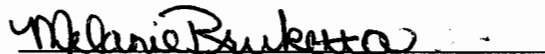
ATTEST:



ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL

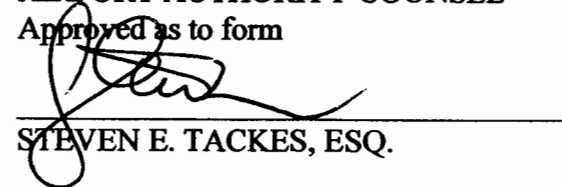
Approved as to form.



DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL

Approved as to form



STEVEN E. TACKES, ESQ.

342199

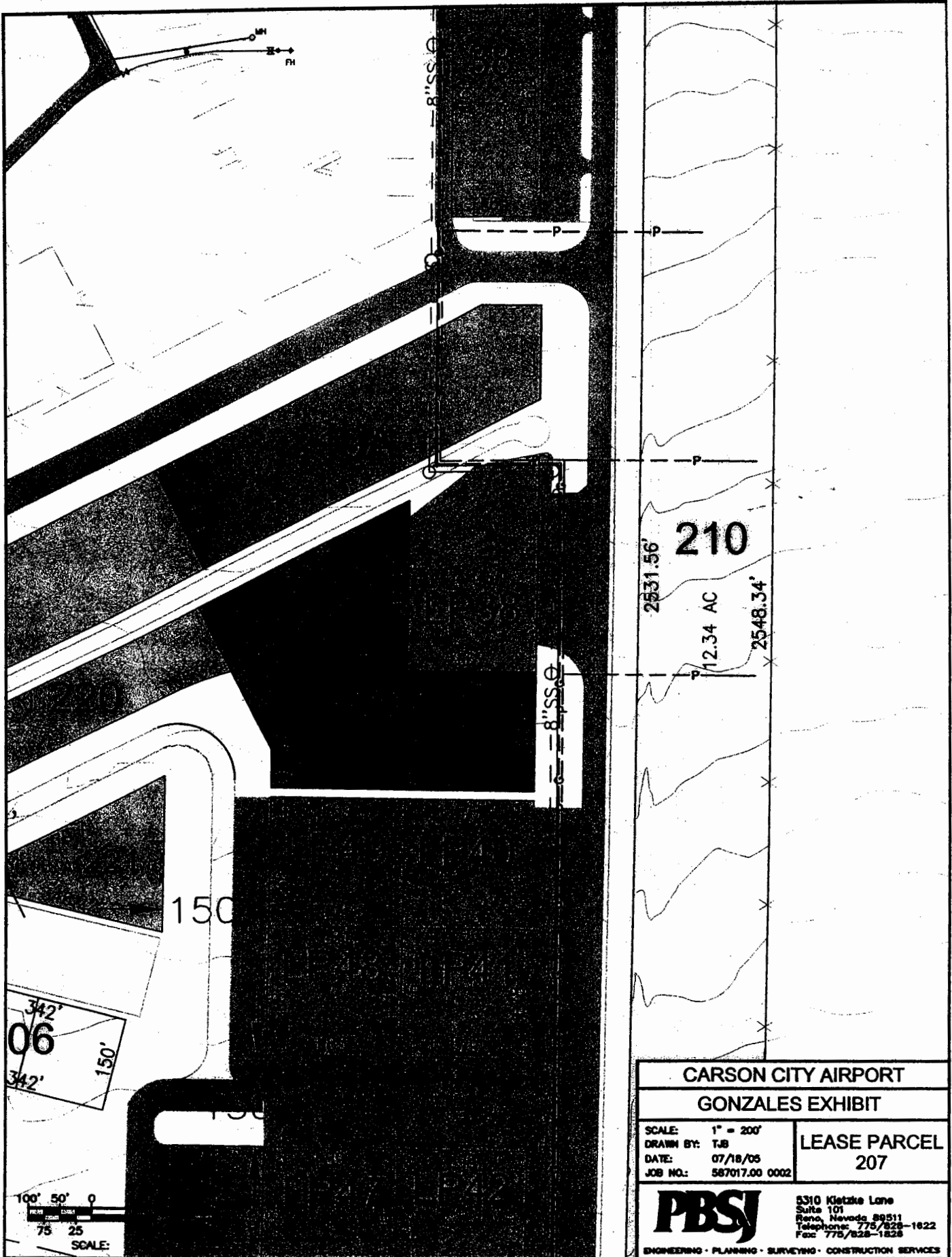
Exhibit A

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'	LEASE PARCEL 207
DRAWN BY: TJB	
DATE: 07/18/05	
JOB NO.: 567017.00 0002	

PBSJ	5310 Kietzke Lane
	Suite 101
Reno, Nevada 89511	
Telephone: 775/828-1622	
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. 10

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.

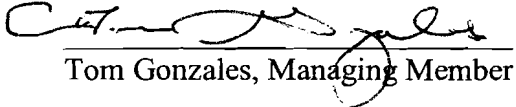
380170

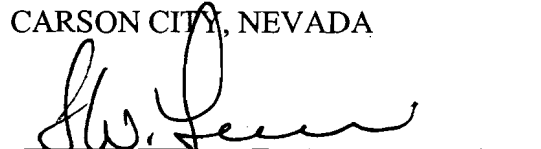
The Landlord reserves the right to assign, pledge, or hypothecate this Agreement upon notice to the Tenant.”

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.

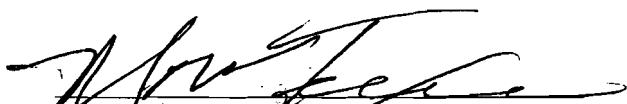

NOTARY PUBLIC (SEAL)

 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


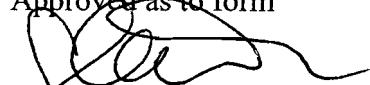
ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.



DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form



STEVEN E. TACKES, ESQ.

-
- 380179



September 20, 2023

FlyCarsonCity.com

Carson City Airport Manager's Report Prepared by Corey Jenkins

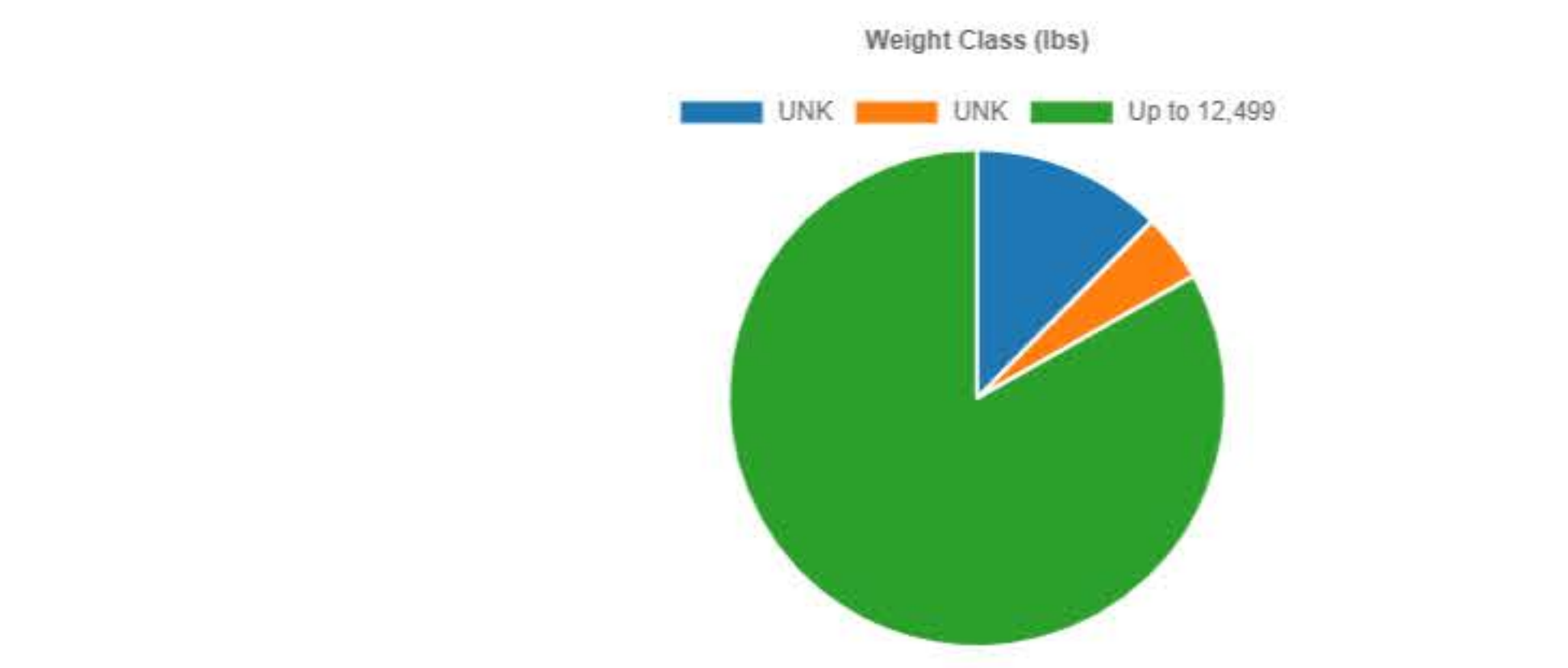
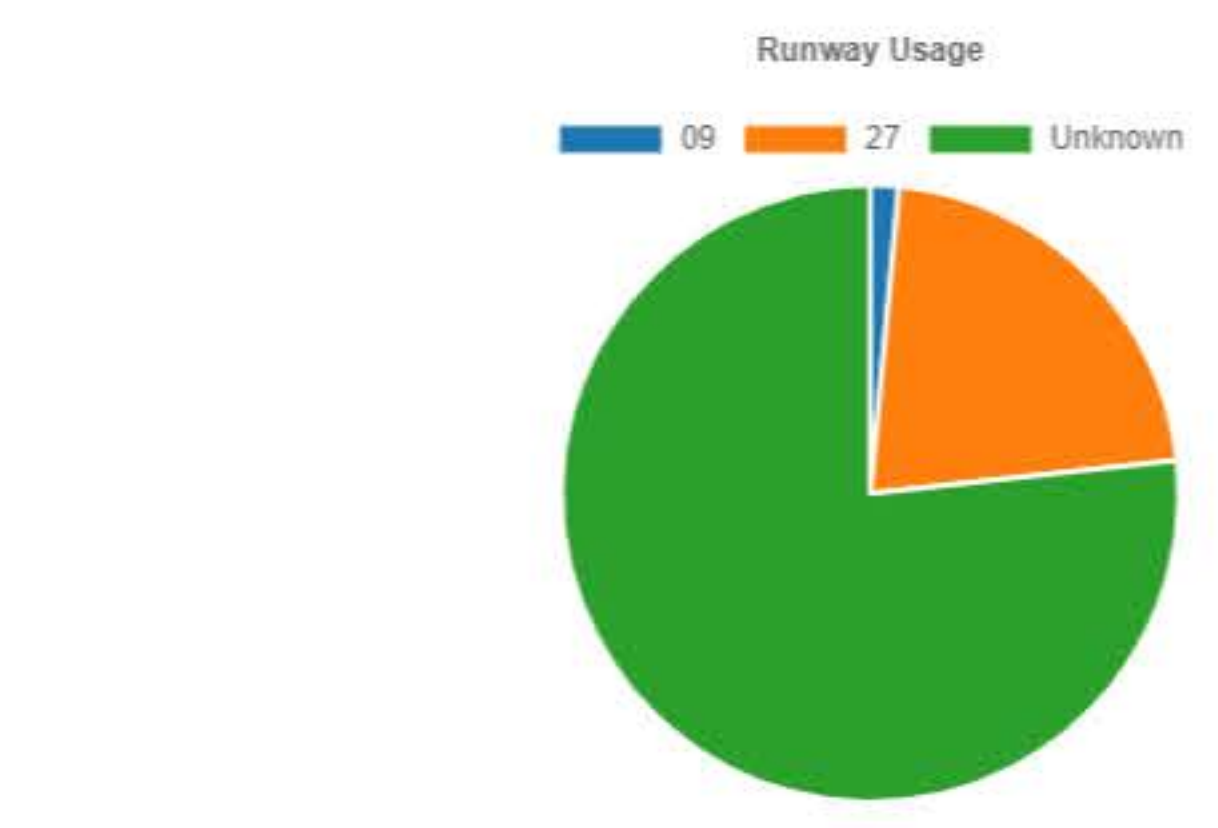
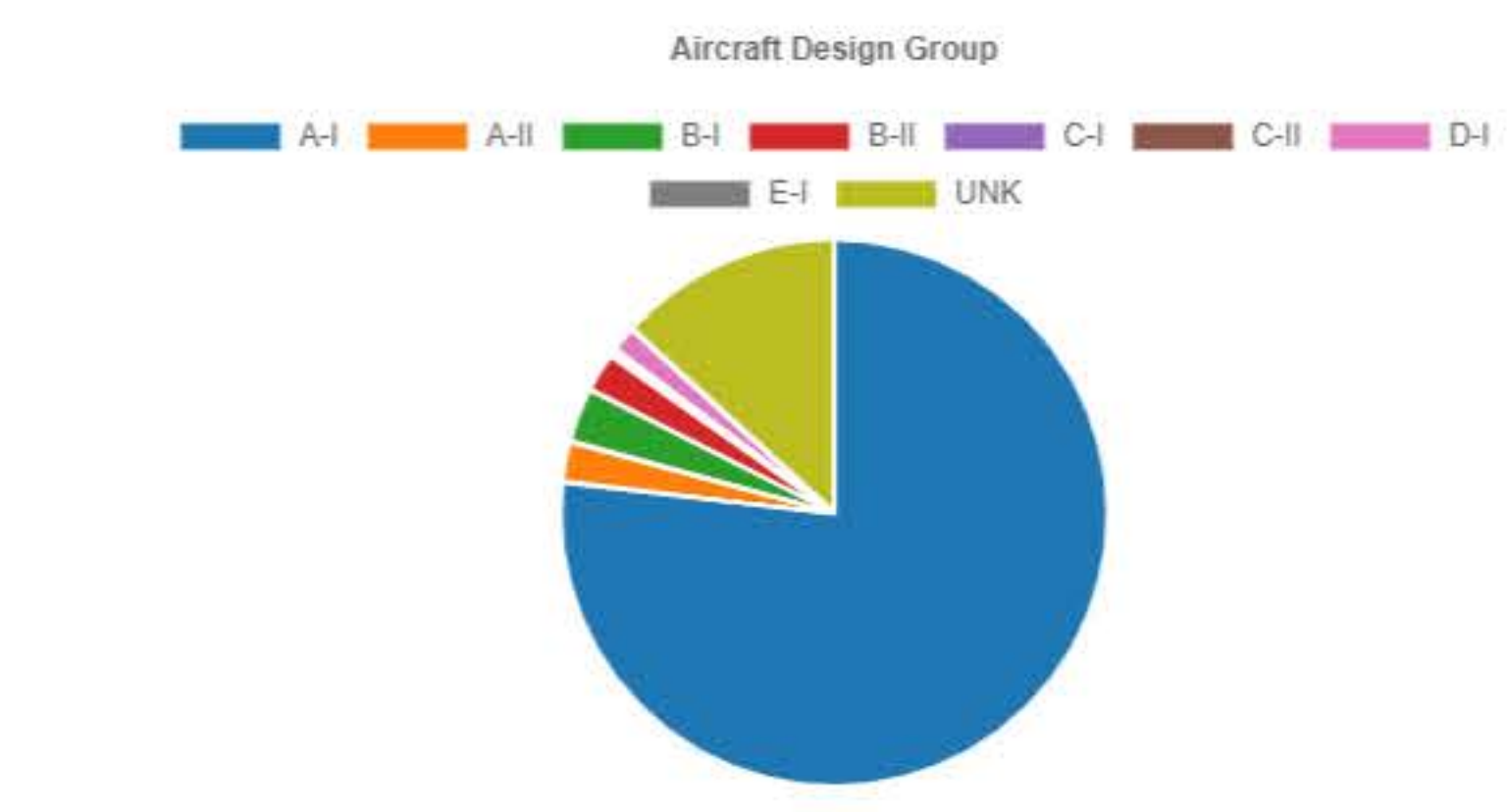
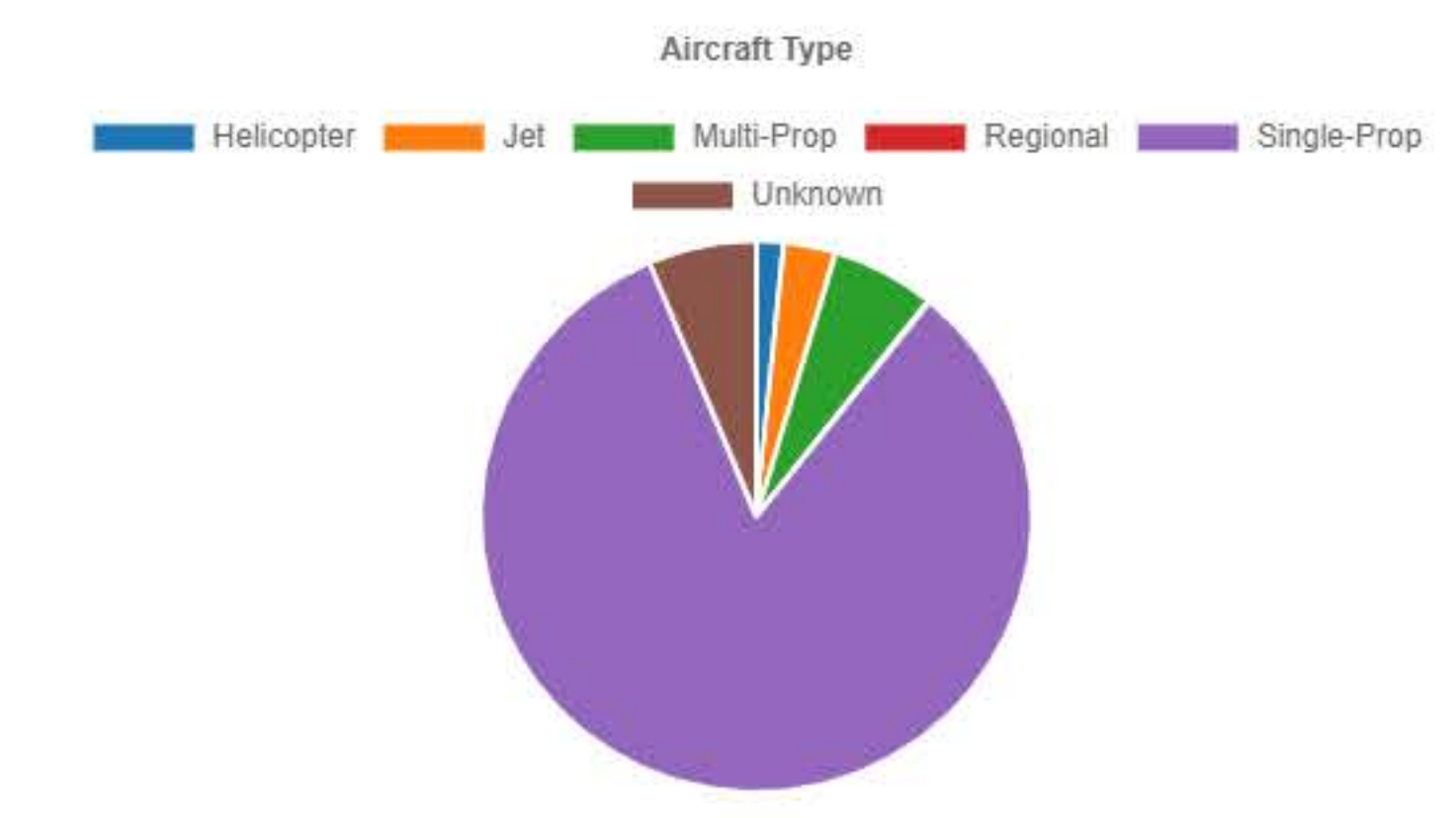
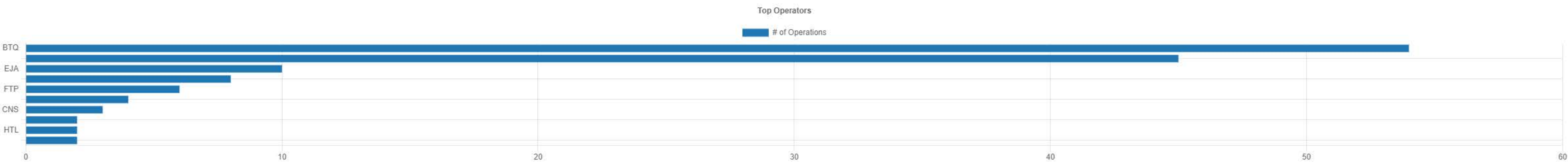
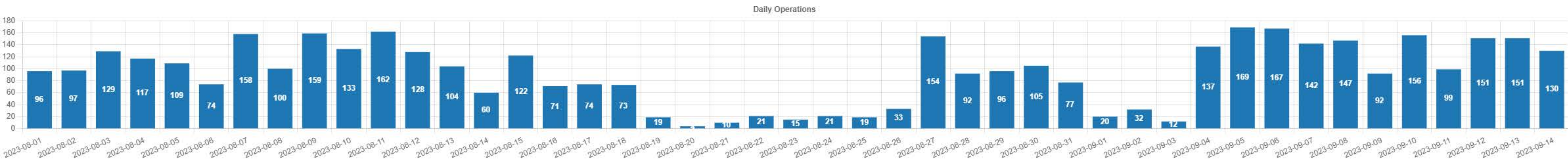
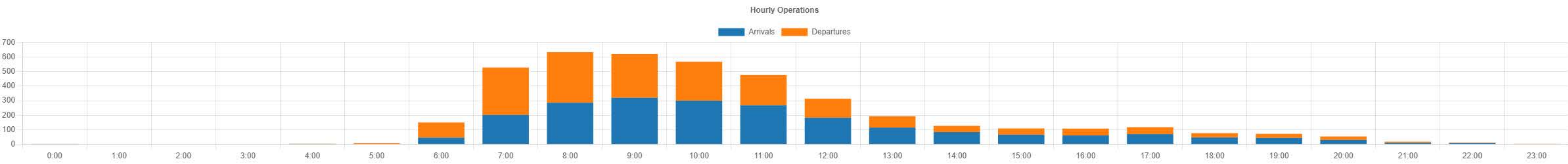
Fuel Flowage

Total							
	Self-Serve		Full-Service		Total Combined		% Change
Month	100LL	Jet A	100LL	Jet A	Gallons	Fuel Flowage Fee	Annual % Change
January-23	3287	471	1267	5486	10511	\$ 525.53	-56%
February-23	5968	874	1220	11479	19541	\$ 977.05	-11%
March-23	3725	1856	1482	8538	15602	\$ 780.08	-37%
April-23	8040	2880	1361	9158	21439	\$ 1,071.93	-10%
May-23	8261	2076	3026	15356	28719	\$ 1,435.95	0%
June-23	9128	3358	2693	11491	26670	\$ 1,333.52	-32%
July-23	10856	5678	2337	14778	33649	\$ 1,682.46	4%
August-23	8320	3157	1635	20173	33285	\$ 1,664.25	-16%
September-23	0	0	0	0	0	\$ -	-100%
October-23	0	0	0	0	0	\$ -	-100%
November-23	0	0	0	0	0	\$ -	-100%
December-23	0	0	0	0	0	\$ -	-100%

Managers' Report

- Held discussions with multiple developers about building hangars and airport businesses who are interested in moving to the area.
 - One of the developers is motivated to submit a proposal soon.
- Kim Pilant, the current clerical assistant providing services through tmcdbooks, has completed a comprehensive based aircraft review.
 - She compared data from the assessor's office, our access card applications, and the ADS-B data.
 - 80 additional aircraft have been identified as potentially being based at CXP.
 - This project will result in an increase in potential federal funding and other additional revenues.
- We have made an offer to Cody Puchalski for the Airport Operations and Maintenance Technician position.
 - He will begin September 25th.
 - We have a training plan in place and his first projects identified.

- The airport and the Experimental Aircraft Association have hosted some training for first responders.
 - Carson City SWAT Team.
 - Planning for a training project for the U.S. Army weapons of mass destruction Civil Support Team in November.
 - None of these operations have or will disrupt the activity at the airport.
- Rick Lee and I have been in communications with the new Deputy Emergency Manager with the Fire Department
 - They have identified some training they would like for airport staff to complete.
 - We will work with them to create a training program for first responders on the airport.
 - They will help put together tabletop and practical training exercises for airport staff and first responders.
- Aircraft Operations
 - The total aircraft operations for August were 4,193 according to ADS-B data.
 - Detailed charts of the operations are attached below.



Carson City Airport Authority-2

Balance Sheet Comparison

As of August 31, 2023

	TOTAL	
	AS OF AUG 31, 2023	AS OF AUG 31, 2022 (PY)
ASSETS		
Current Assets		
Bank Accounts		
1075 LGIP-Deferred	403,363.06	390,002.80
1077 LGIP- General Fund	1,251,460.79	814,422.53
3099 Gen. Fund #1162	546,092.43	427,420.68
3101 Deferred Lease #8249	0.00	0.00
3102 Gate Card #5242	0.00	0.00
3199 Petty Cash	100.00	
6.30.20 Audit Adustment	0.00	0.00
Total Bank Accounts	\$2,201,016.28	\$1,631,846.01
Accounts Receivable		
2000 Accounts Receivable - Operating	25,252.05	393,532.49
Total Accounts Receivable	\$25,252.05	\$393,532.49
Other Current Assets		
1499 Undeposited Funds	0.00	66,365.87
2010 Due From Other Government	98,396.87	98,396.87
2010.1 Audit Adjustment to AR	1,019.00	1,019.00
2011 Accrued Interest Receivable	1,090.37	1,090.37
2020 Grants Receivable-CY	0.00	0.00
2021 Grants Receivable AIP33	0.00	0.00
Grumman HU-16C Lien	0.00	0.00
Total Other Current Assets	\$100,506.24	\$166,872.11
Total Current Assets	\$2,326,774.57	\$2,192,250.61
Fixed Assets		
2120 land	146,542.03	146,542.03
2125 Machinery & Equipment	703,678.73	703,678.73
2126 Fencing	911,661.46	911,661.46
2130 Vehicle	149,733.35	149,733.35
2198 Accumulated Depreciation	-357,012.36	-357,012.36
2201 Tractor	70,924.00	70,924.00
Total Fixed Assets	\$1,625,527.21	\$1,625,527.21
Other Assets		
2300 Provided for LT Obligations	139,013.33	139,013.33
2305 NPV of Airport Leases	5,369,789.00	5,369,789.00
2810 Pension Requirement	207,162.04	207,162.04
Total Other Assets	\$5,715,964.37	\$5,715,964.37
TOTAL ASSETS	\$9,668,266.15	\$9,533,742.19

Carson City Airport Authority-2

Balance Sheet Comparison

As of August 31, 2023

	TOTAL	
	AS OF AUG 31, 2023	AS OF AUG 31, 2022 (PY)
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
3000 Accounts Payable	17,473.87	150,033.44
Total Accounts Payable	\$17,473.87	\$150,033.44
Credit Cards		
6321 Home Depot	177.60	173.69
6328 NSB Credit Card Rick 9053	1,251.84	0.00
6329 NSB CC Corey 9061	1,529.64	307.73
Total Credit Cards	\$2,959.08	\$481.42
Other Current Liabilities		
2101 Payroll Liability	4,519.52	-6,181.59
2102 Accrued Compensated Absences	5,227.28	5,227.28
2115 Accrued Expenses	21,000.00	21,000.00
3030 Audit Adj to AP	686.00	686.00
3090 Pension Requirement-Liab	257,691.00	257,691.00
3271 Current Portion of LTD	12,734.00	12,734.00
Total Other Current Liabilities	\$301,857.80	\$291,156.69
Total Current Liabilities	\$322,290.75	\$441,671.55
Long-Term Liabilities		
3085 Net Pension Liability	142,339.00	142,339.00
3100 Leases Advances	18,770.00	18,770.00
3110 Deferred Inflows- Leases	5,184,646.00	5,184,646.00
3200 Mayes-Lease Transactions	172,702.83	178,942.83
3250 Gonzalez Deferred Lease	232,855.89	239,508.91
3260 Goni Deferred Lease	0.00	0.00
6325 Tractor US Bank	0.00	13,243.00
Total Long-Term Liabilities	\$5,751,313.72	\$5,777,449.74
Total Liabilities	\$6,073,604.47	\$6,219,121.29
Equity		
4200 Fund Balance	2,553,540.52	2,553,540.52
4999 Retained Earnings	1,112,364.11	812,152.15
4999.1 GWFS to Fund FS adjustments	-38,223.00	-38,223.00
Net Income	-33,019.95	-12,848.77
Total Equity	\$3,594,661.68	\$3,314,620.90
TOTAL LIABILITIES AND EQUITY	\$9,668,266.15	\$9,533,742.19

Carson City Airport Authority-2

Budget vs. Actuals: CCAA Budget_FY24_P&L - FY24 P&L

July 2023 - June 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
5010 Real/Personal Property Tax				
5010.1 Aircraft	47,712.51	210,000.00	-162,287.49	22.72 %
5010.2 Building	39,037.50	140,000.00	-100,962.50	27.88 %
Total 5010 Real/Personal Property Tax	86,750.01	350,000.00	-263,249.99	24.79 %
5050 AIRPORT LEASES				
5050H Hanger Lease	18,000.00	79,100.00	-61,100.00	22.76 %
5051 Land Leases	62,788.01	245,000.00	-182,211.99	25.63 %
5052 Tower Leases	17,502.18	71,000.00	-53,497.82	24.65 %
5053 Lease-Mayes	1,560.00	6,240.00	-4,680.00	25.00 %
Total 5050 AIRPORT LEASES	99,850.19	401,340.00	-301,489.81	24.88 %
5150 Tie Down Fees	2,139.00	9,000.00	-6,861.00	23.77 %
5151 Gate Card Fees		900.00	-900.00	
5155 Parking Fees	100.02	200.00	-99.98	50.01 %
5200 Committed-Fuel Flowage Fees	2,770.73	20,000.00	-17,229.27	13.85 %
5201 Committed-Jet Fuel Tax	408.93	4,000.00	-3,591.07	10.22 %
5250 Through the Fence Fees		7,200.00	-7,200.00	
5300 Class II FBO Fees	1,800.00	12,000.00	-10,200.00	15.00 %
5402 Open House Income	2,500.00	10,000.00	-7,500.00	25.00 %
5404 Rock Materials Sales	15,948.07	40,000.00	-24,051.93	39.87 %
5500 Interest Income	12,600.05	65,000.00	-52,399.95	19.38 %
5998 Terminal Rental		500.00	-500.00	
Total Income	\$224,867.00	\$920,140.00	\$ -695,273.00	24.44 %
GROSS PROFIT	\$224,867.00	\$920,140.00	\$ -695,273.00	24.44 %
Expenses				
6019 Charitable Contribution	500.00	1,000.00	-500.00	50.00 %
6300 Operating Expenses				
6130 Dues	1,210.00	1,450.00	-240.00	83.45 %
6135 Memberships		750.00	-750.00	
6137 Conferences		2,500.00	-2,500.00	
6170 SWAAAE BOD Travel		750.00	-750.00	
6190 Office Expencc-PC Software	235.00	1,000.00	-765.00	23.50 %
6200 Office Expenses -PC Hardware		500.00	-500.00	
6211 Meals and Entertainment	91.32	500.00	-408.68	18.26 %
6218 Marketing and Website	294.50		294.50	
6280 Open House Expense	677.22	10,000.00	-9,322.78	6.77 %
6369 Travel		500.00	-500.00	
Total 6300 Operating Expenses	2,508.04	17,950.00	-15,441.96	13.97 %
6301 Utilities				
6302 Phone & Internet	867.34	3,500.00	-2,632.66	24.78 %
6303 Electric	2,110.89	12,000.00	-9,889.11	17.59 %
6304 Gas	30.24	1,000.00	-969.76	3.02 %

Carson City Airport Authority-2

Budget vs. Actuals: CCAA Budget_FY24_P&L - FY24 P&L

July 2023 - June 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
6305 Water	440.44	2,000.00	-1,559.56	22.02 %
6306 Carson City Landfill	207.70	1,200.00	-992.30	17.31 %
Total 6301 Utilities	3,656.61	19,700.00	-16,043.39	18.56 %
6308 Office Expenses and Supplies	59.08	2,000.00	-1,940.92	2.95 %
6309 Legal	16,972.50	100,000.00	-83,027.50	16.97 %
6310 Security	655.98	4,000.00	-3,344.02	16.40 %
6311 CCAA printing	187.90		187.90	
6312 Data Storage	114.32	400.00	-285.68	28.58 %
6313 Insurance		13,000.00	-13,000.00	
6314 Auditing		25,000.00	-25,000.00	
6314A Accounting/Bullis		18,000.00	-18,000.00	
6314B Accounting/Tmcdbooks	2,310.00	28,800.00	-26,490.00	8.02 %
6315 Contract Services/Appraisals		6,000.00	-6,000.00	
6316 Bank Charges/Square Chgs	22.59	350.00	-327.41	6.45 %
6317 Airport Equipment Maintenance	1,102.77	15,000.00	-13,897.23	7.35 %
6317.5 AWOS III Service Charges		6,000.00	-6,000.00	
6318 Facility Maintenance	980.70	8,000.00	-7,019.30	12.26 %
6319 Airfield Maintenance	7,789.44	30,000.00	-22,210.56	25.96 %
6319.5 Gate Maintenance		250.00	-250.00	
6319.51 Depreciation expense		85,000.00	-85,000.00	
6350 Labor Expense				
6351 Salaries	24,108.64	215,400.00	-191,291.36	11.19 %
6351.5 Overtime Budget (Airfield)		6,000.00	-6,000.00	
6352 Healthcare	5,816.62	45,000.00	-39,183.38	12.93 %
6353 PERS Retirement Contribution	8,618.55	65,000.00	-56,381.45	13.26 %
6354 Nevada Payroll	186.00	1,100.00	-914.00	16.91 %
6355 Workers Compensation		7,400.00	-7,400.00	
6356 State Unemployment Contri		2,100.00	-2,100.00	
6357 Federal Quarterly Tax		500.00	-500.00	
6476 Uniforms	207.85	2,400.00	-2,192.15	8.66 %
Total 6350 Labor Expense	38,937.66	344,900.00	-305,962.34	11.29 %
6444 Advertising & Marketing	583.00	3,500.00	-2,917.00	16.66 %
Melio Service Fees	9.00		9.00	
Total Expenses	\$76,389.59	\$728,850.00	\$ -652,460.41	10.48 %
NET OPERATING INCOME	\$148,477.41	\$191,290.00	\$ -42,812.59	77.62 %
Other Income				
FAA AIP Grant Revenue				
6035 AIP #36 Construct SRE Building				
6035.1 6035 AIP #36 Construct SRE Building Revenue		1,640,625.00	-1,640,625.00	
6035.2 6035 AIP #36 Construct SRE Building Expense	-12,470.00	1,750,000.00	-1,762,470.00	-0.71 %
Total 6035 AIP #36 Construct SRE Building	-12,470.00	3,390,625.00	-3,403,095.00	-0.37 %
6036 AIP #37 Acquire Snow Removal Equipment				

Carson City Airport Authority-2

Budget vs. Actuals: CCAA Budget_FY24_P&L - FY24 P&L

July 2023 - June 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
6036.1 AIP #37 Acquire Snow Removal Equipment Revenue		218,000.00	-218,000.00	
6036.2 AIP #37 Acquire Snow Removal Equipment Expense	-135.00	218,000.00	-218,135.00	-0.06 %
Total 6036 AIP #37 Acquire Snow Removal Equipment	-135.00	436,000.00	-436,135.00	-0.03 %
6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF				
6041.2 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF Expense	-39,060.00		-39,060.00	
Total 6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF	-39,060.00		-39,060.00	
6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF				
6042.2 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Expense	-19,997.50		-19,997.50	
Total 6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF	-19,997.50		-19,997.50	
6044 AIP #44 SRE Construct Auxiliary Building				
6044.2 AIP #44 SRE Construct Auxiliary Building Expense	-1,425.00		-1,425.00	
Total 6044 AIP #44 SRE Construct Auxiliary Building	-1,425.00		-1,425.00	
6416 New Terminal Door Improvements with Access Control	-1,758.32		-1,758.32	
Total FAA AIP Grant Revenue	-74,845.82	3,826,625.00	-3,901,470.82	-1.96 %
Total Other Income	\$ -	\$3,826,625.00	\$ -	-1.96 %
	74,845.82		3,901,470.82	
Other Expenses				
CCAA Funded Capital Projects				
6400 Capital Project				
6418 FOD Boss Purchase	6,949.00	7,200.00	-251.00	96.51 %
Total 6400 Capital Project	6,949.00	7,200.00	-251.00	96.51 %
6412 Terminal Entrance Hardscape		120,000.00	-120,000.00	
6413 Taxiway Sign Panels		15,000.00	-15,000.00	
6414 Terminal Building Architectural Renderings	4,934.75		4,934.75	
6417 Aggregate To Improve Safety Areas (500 ft Test Area)		275,000.00	-275,000.00	
Total CCAA Funded Capital Projects	11,883.75	417,200.00	-405,316.25	2.85 %
Total Other Expenses	\$11,883.75	\$417,200.00	\$ -405,316.25	2.85 %
NET OTHER INCOME	\$ -	\$3,409,425.00	\$ -	-2.54 %
	86,729.57		3,496,154.57	
NET INCOME	\$61,747.84	\$3,600,715.00	\$ -	1.71 %
			3,538,967.16	

Carson City Airport Authority-2

Profit and Loss Comparison

July - August, 2023

	TOTAL	
	JUL - AUG, 2023	JUL - AUG, 2022 (PY)
Income		
5010 Real/Personal Property Tax		
5010.1 Aircraft	31,808.34	31,808.34
5010.2 Building	26,025.00	26,025.00
Total 5010 Real/Personal Property Tax	57,833.34	57,833.34
5050 AIRPORT LEASES		
5050H Hanger Lease	12,000.00	4,901.14
5051 Land Leases	42,060.28	33,115.29
5052 Tower Leases	11,668.12	11,392.42
5053 Lease-Mayes	1,040.00	1,040.00
Total 5050 AIRPORT LEASES	66,768.40	50,448.85
5150 Tie Down Fees	1,426.00	1,246.30
5151 Gate Card Fees		225.52
5155 Parking Fees	100.02	
5200 Committed-Fuel Flowage Fees	2,770.73	3,688.28
5201 Committed-Jet Fuel Tax	408.93	223.80
5300 Class II FBO Fees	1,200.00	1,200.00
5402 Open House Income	2,500.00	
5404 Rock Materials Sales	15,948.07	4,541.60
5500 Interest Income	12,600.05	1,634.64
Total Income	\$161,555.54	\$121,042.33
GROSS PROFIT	\$161,555.54	\$121,042.33
Expenses		
6019 Charitable Contribution	500.00	
6169 Taxes & Licenses		3.00
6300 Operating Expenses		
6130 Dues	1,210.00	275.00
6190 Office Expence-PC Software	235.00	
6211 Meals and Entertainment	91.32	62.91
6218 Marketing and Website	294.50	460.00
6280 Open House Expense	677.22	
Total 6300 Operating Expenses	2,508.04	797.91
6301 Utilities		
6302 Phone & Internet	867.34	603.21
6303 Electric	2,110.89	1,576.92
6304 Gas	30.24	90.72
6305 Water	440.44	374.12
6306 Carson City Landfill	207.70	199.64
Total 6301 Utilities	3,656.61	2,844.61
6308 Office Expenses and Supplies	59.08	1.01

Carson City Airport Authority-2

Profit and Loss Comparison

July - August, 2023

	TOTAL	
	JUL - AUG, 2023	JUL - AUG, 2022 (PY)
6309 Legal	16,972.50	7,170.00
6310 Security	655.98	1,002.90
6311 CCAA printing	187.90	
6312 Data Storage	114.32	68.56
6313 Insurance		100.00
6314 Auditing		805.00
6314A Accounting/Bullis		1,256.00
6314B Accounting/Tmcdbooks	2,310.00	
6316 Bank Charges/Square Chgs	22.59	14.66
6317 Airport Equipment Maintenance	1,102.77	2,362.29
6317.5 AWOS III Service Charges		13,150.00
6318 Facility Maintenance	630.70	909.31
6319 Airfield Maintenance	7,789.44	281.17
6350 Labor Expense		
6351 Salaries	24,108.64	20,708.76
6352 Healthcare	5,816.62	5,924.24
6353 PERS Retirement Contribution	8,618.55	-2,586.78
6354 Nevada Payroll	186.00	162.00
6355 Workers Compensation		257.19
6476 Uniforms	189.20	129.52
Total 6350 Labor Expense	38,919.01	24,594.93
6444 Advertising & Marketing	583.00	150.75
Melio Service Fees	9.00	
Total Expenses	\$76,020.94	\$55,512.10
NET OPERATING INCOME	\$85,534.60	\$65,530.23
Other Income		
FAA AIP Grant Revenue		
6035 AIP #36 Construct SRE Building		
6035.2 6035 AIP #36 Construct SRE Building Expense	-12,470.00	
Total 6035 AIP #36 Construct SRE Building	-12,470.00	
6036 AIP #37 Acquire Snow Removal Equipment		
6036.2 AIP #37 Acquire Snow Removal Equipment Expense	-135.00	
Total 6036 AIP #37 Acquire Snow Removal Equipment	-135.00	
6037 AIP #38 Install Approach Lighting Phase I		0.00
6040 AIP 41 - Relocate AWOS		8,193.00
6040.1 AIP 41 - Relocate AWOS Revenue		21,741.00
6040.2 AIP 41 - Relocate AWOS Expenses		-23,191.30
6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF		-3,000.00
6041.2 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF Expense	-39,060.00	
Total 6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF	-39,060.00	-3,000.00

Carson City Airport Authority-2

Profit and Loss Comparison

July - August, 2023

	TOTAL	
	JUL - AUG, 2023	JUL - AUG, 2022 (PY)
6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF		
6042.2 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Expense	-19,997.50	
Total 6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF	-19,997.50	
6044 AIP #44 SRE Construct Auxiliary Building		
6044.2 AIP #44 SRE Construct Auxiliary Building Expense	-1,425.00	
Total 6044 AIP #44 SRE Construct Auxiliary Building	-1,425.00	
6416 New Terminal Door Improvements with Access Control	-1,758.32	
Total FAA AIP Grant Revenue	-74,845.82	3,742.70
Total Other Income	\$ -74,845.82	\$3,742.70
Other Expenses		
CCAA Funded Capital Projects		
6400 Capital Project		
6418 FOD Boss Purchase	6,949.00	
Total 6400 Capital Project	6,949.00	
6410 Bobcat w/Attachments		82,121.70
6414 Terminal Building Architectural Renderings	4,934.75	
Total CCAA Funded Capital Projects	11,883.75	82,121.70
Total Other Expenses	\$11,883.75	\$82,121.70
NET OTHER INCOME	\$ -86,729.57	\$ -78,379.00
NET INCOME	\$ -1,194.97	\$ -12,848.77