



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-1

BOARD MEMO 2024-20

Meeting Date: October 16, 2024

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: APPROVE LEASE AMENDMENT TO CACTUS AIRFORCE, LLC EXECUTING A LEASE EXTENSION FOR A PERIOD OF AN ADDITIONAL TEN YEARS AND AT CURRENT MARKET RATE.

Staff Summary: In the CARSON CITY AIRPORT LEASE AGREEMENT with CACTUS AIR FORCE, LLC, it states “WHEREAS, the Tenant and Landlord desire to enter into separate leases for the area previously subleased from Mentors Unlimited Inc., (Original lease recorded as Doc #000170359; Sublease recorded as Doc# 00013 3264) incorporating the principal terms of said lease and sublease into the Airport;”

In the FIRST ADDENDUM TO LEASE with Mentors Unlimited, it states “Mentors Unlimited, Inc., a Nevada corporation (“Mentors”); Mentors Master Lease provided: “Upon further negotiation and if agreement as to terms is reached by both parties, then in that event the term of the lease may be extended for a period of ten (10) years. (Mentors Lease, Section 1 on p1)”

According to the language in the lease assignment to Cactus Air Force, LLC and the original lease with Mentors Unlimited, LLC, the extension is permitted. An appraisal was used to raise the rental rate per NRS. Staff recommends the extension.

Agenda Action: Formal Action/Motion

Time Requested 0 Minutes

Proposed Motion

I move to approve the First Amendment to the Cactus Airforce, LLC. lease and authorize the Staff to proceed with a request for Board of Supervisor approval

CCAA'S Strategic Goal

Maintain financial stability and support economic activity in the region.

Previous Action

May 22, 1987 - The original Mentor's Unlimited lease was recorded

June 4, 2014 - A fifth addendum with a size reduction and split off Cactus sublease into its own lease was recorded

Executive Summary

As the Authority knows, the Nevada Revised Statutes requires that lease rates used must meet current market rates. As such, and in discussions with the tenant, we have set the new rental rate at the most recent appraised rate. In short, the only change to the lease is the 10-year extension and the new current rental rate. The new lease rate will increase from \$1883.04 annually to \$5,100 annually. Following CCAA approval, we will submit it to the Board of Supervisors for their approval.

Recommendation:

Approve the amendment to the Cactus Airforce, LLC. lease extending the term by 10 years and updating the rate to the current market rate.

Financial Information

Is there a fiscal impact?

No Yes

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

General Fund/ Federal Share: \$5,100 annually with a CPI increase every two years

Is it currently budgeted?

Yes

Alternatives

Do not approve the amendment as presented and suggest changes.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

APN 005-011-89

When Recorded, Return To:

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

**FIRST AMENDMENT TO
CARSON CITY AIRPORT LEASE AGREEMENT**

This First Amendment to lease, made and entered into this ___ day of October, 2024, between the CARSON CITY AIRPORT AUTHORITY (Landlord), whose address is 2600 College Parkway #6 Carson City, Nevada 89706, and CACTUS AIR FORCE, LLC, a Nevada Limited Liability Company (Tenant), whose address is 2600 College Parkway #33, Carson City, Nevada 89706.

WITNESSETH:

WHEREAS, Landlord and Tenant entered into a lease regarding a certain portion of the Carson City Airport, per an original lease dated April 16, 2014 recorded June 4, 2014, as Doc. No. 444890 (the “Lease”).

WHEREAS, the Lease is scheduled to expire on December 7, 2024.

WHEREAS, Tenant’s Lease was originally a sublease under a Master Lease held by Mentors Unlimited, Inc., a Nevada corporation (“Mentors”); Mentors Master Lease provided: “Upon further negotiation and if agreement as to terms is reached by both parties, then in that event the term of the lease may be extended for a period of ten (10) years. (Mentors Lease, Section 1 on p1)”

WHEREAS, the Landlord engaged an MAI certified appraiser for other similar land on the Carson City Airport, and that the most recent and current appraisal of land for FBO commercial leases without direct public road access is \$0.34 per sq. ft per year.

WHEREAS, the parties desire to extend the Lease and thereby execute this Amendment allowing for the one time extension provided for in the Mentors Master Lease.

THEREFORE, Landlord and Tenant agree as follows:

1. The Lease is extended for 10 years with a new expiration date of December 7, 2034.

2. The rental amount is increased upon approval of this Amendment to \$0.34 per sq. ft. per year (15,000 sq ft times \$0.34 equals \$5,100 per year, or \$425 per month). The CPI provision set forth in the Lease shall continue to apply on two year anniversary intervals from January 1, 2024 (Lease, Section 4 on p2).
3. All other terms and conditions of the Lease are unchanged.

TENANT
CACTUS AIR FORCE, LLC.

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY

Rick R. Clemens, Manager

Tim Puliz, Chairman

ATTEST:

Jon Rogers, Treasurer

STATE OF NEVADA)

: ss

CARSON CITY)

On this ____ day of September , before me, the undersigned, a Notary Public, personally appeared Rich R. Clemens, Manager of CACTUS AIR FORCE, LLC, known (or proved) to me to be the person described herein, who executed the foregoing instrument, and they acknowledged to me, that they have the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

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

NOTARY PUBLIC (SEAL)

CARSON CITY

Approved by the Board of Supervisors this ____ day of _____, 2024.

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

WILLIAM SCOTT HOEN, Clerk/Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form

STEVEN E. TACKES, ESQ.

1 for a term of thirty (30) years commencing on the date of execution of this
2 Agreement. Upon further negotiation and if agreement as to terms is reached
3 by both parties, then in that event the term of Lease may be extended for a
4 period of ten (10) years.

5 III. IMPROVEMENTS:

6 LESSEE agrees and covenants to complete construction of building
7 or buildings containing not less than 12,000 square feet on the premises on
8 or before two (2) years from date of this Agreement. The building program
9 schedule shall be within the following time frame:

10 (1) Total building and site plan shall be submitted within six (6)
11 months of this Agreement with supporting financial funding data from a
12 financial institution with their commitment to fund building one with
13 further commitments submitted prior to subsequent scheduled construction;

14 (2) The building erection permit shall be acquired from Carson
15 CITY Public Works Code Enforcement Division as needed. Said building or
16 buildings shall be constructed in accordance with the Carson Airport rules
17 and regulations, and with the applicable building codes.

18 (3) Building one consisting of not less than 4,800 square feet
19 shall be completed within one (1) year from the date of this agreement.

20 (4) Building two of not less than 2,400 square feet shall be
21 completed within eighteen (18) months from the date of this agreement.

22 (5) Building three of not less than 4,800 square feet shall be
23 completed within two (2) years of the date of this agreement.

24 In addition to the foregoing building or buildings LESSEE may,
25 with the written consent of the CITY, construct such additional buildings as
26 may be desired. Said consent shall not be unreasonably withheld. Title to
27 all improvements, including, but not limited to the above-mentioned building
28 or buildings made on the premises, shall become the property of the CITY

1 upon the expiration or termination of the Lease. LESSEE shall clear all
2 mortgages and other financing encumbrances prior to the expiration of the
3 thirty (30) year term of lease.

4 IV. NON-EXCLUSIVE RIGHTS GRANTED:

5 The use herein granted is for a special Fixed Base Operation by
6 the LESSEE.

7 LESSEE agrees and covenants to have the following non-exclusive
8 services available on any parcels leased:

- 9 1. Aircraft sales.
- 10 2. Parts and accessories sales.
- 11 ~~3. Aircraft rental.~~ *TEN* *NS*
- 12 4. Maintenance services which shall include services in one or
13 more of the following:
- 14 A. Airframe overhaul and repair;
 - 15 B. Engine overhaul and repair;
 - 16 C. Radio and electrical shop;
 - 17 D. Instrument shop;
 - 18 E. Aircraft interior work;
 - 19 F. Refinishing and painting;
- 20 5. Fuel storage (not for resale).

21 Any other services which may be provided by a Fixed Base Operator
22 under the Airport rules and regulations shall be allowed, provided approval
23 of the CARSON CITY Board of Supervisors through formal Board action is first
24 obtained. Such approval shall not be unreasonably withheld.

25 V. FEDERAL AVIATION ADMINISTRATION REGULATIONS AGREED TO:

26 It is mutually understood and agreed by the LESSEE and CITY that
27 CARSON CITY, in accepting federal aid for the development of the CARSON CITY
28 Airport, agreed in writing to FAA regulations concerning any agreements,

1 contracts, leases or other privileges given in connection with the airport.

2 These FAA regulations require:

3 Aeronautical Uses

4 1. That, directly or indirectly, exclusive rights will not be
5 granted for the conduct of aeronautical activities on the airport.

6 2. That the LESSEE agrees to charge fair, reasonable and not
7 unjustly discriminatory prices for each unit or service, provided that the
8 LESSEE may be allowed to make reasonable and non-discriminatory discounts,
9 rebates, or other similar types of price reductions to volume purchasers.

10 3. That the LESSEE agrees not to discriminate against any person
11 or class of persons by reason of race, color, creed or national origin in
12 the use of any of the facilities provided for the public on the airport.

13 4. That the LESSEE understands and agrees that nothing herein
14 contained shall be construed to grant or authorize the granting of an
15 exclusive right within the meaning of Section 308 of the Federal Aviation
16 Act.

17 5. That CITY reserves the right to maintain, develop or improve
18 the landing area and all publicly owned facilities of the airport as it may
19 be found necessary in the CITY's sole discretion, together with the right to
20 direct and control all ground traffic over designated aircraft taxi areas.

21 6. That this lease shall be subordinate to the provisions and
22 requirements of any existing or future grant agreements between CITY and the
23 United States of any existing or future Federal Aviation Regulations
24 relative to the development, operation or maintenance of the airport.

25 Non-Aeronautical Uses

26 7. That there is hereby reserved to CITY, its successors and
27 assigns, for the use and benefit of the public, a right of flight for the
28 passage of aircraft in the airspace above the surface of all of the premises

1 of the LESSEE described in the "Property Leased" section, herein, together
2 with the right to cause in said airspace such noise as may be inherent in
3 the operation of aircraft, now known or hereafter used for navigation or
4 flight in the air, using said airspace or landing at, taking off from or
5 operation on Carson Airport.

6 8. That the LESSEE by accepting this lease expressly agrees for
7 itself, its successors and assigns that it will not erect or permit the
8 erection of any structure or object nor permit the growth of any trees on
9 the land described in the "Property Leased" section herein, in violation of
10 any height zoning ordinances.

11 9. That the LESSEE by accepting this lease expressly agrees for
12 itself, its successors and assigns that it will not make use of the premises
13 described in the "Property Leased" section, herein, in any manner which might
14 interfere with the landing and taking off of aircraft from Carson CITY
15 Airport or otherwise constitute a hazard. In the event the aforesaid
16 covenant is breached, CITY reserves the right to enter upon the LESSEE's
17 premises described in the "Property Leased" section, herein, and cause the
18 abatement of such interference at the expense of the LESSEE.

19 10. The LESSEE agrees that the Federal Aviation Administration
20 (FAA) Regulations listed in Paragraph A through I, paragraph 7 herein, are
21 part of this lease and that LESSEE agrees to abide by them.

22 VI. TERMINATION OF AGREEMENT:

23 1. In the event of any of the following conditions existing
24 LESSEE may elect, in its sole discretion, any remedy provided in Section 2
25 immediately following.

26 A. If the CITY fails to perform under this lease after
27 failing to remedy a deficiency after sixty (60) days written notice by
28 LESSEE.

1 B. If the CITY commits any act that prevents LESSEE from
2 doing any business authorized herein for a period of sixty (60) days.

3 C. If the airport is closed by lawful authority, if normal
4 business is interrupted by fire, earthquake, flood, enemy action, civil
5 strife, strikes, picketing or other coercive activity by labor groups,
6 action by a public agency or public officials, enactment, enforcement of
7 public laws or any other intervening cause beyond LESSEE's control, which
8 said closure cannot be repaired or remedied within sixty (60) days.

9 2. When normal business is interrupted by any cause set forth in
10 paragraph (1) above, LESSEE may elect, in its sole discretion, to either
11 terminate the Lease or to have all rent and fees abated throughout the
12 period of interruption. Should LESSEE elect to have the rent abated, the
13 term of this Lease shall automatically be extended a period of time equal to
14 the period of interruption.

15 3. The CITY may terminate this agreement in its entirety upon
16 the occurrence of any of the following events.

17 A. The abandonment or discontinuance of operations at the
18 airport by LESSEE.

19 B. LESSEE defaulting in payment of the Lease payments as
20 specified herein and the Lease payment not being made within fifteen (15)
21 days after service of notice as provided herein.

22 C. Violation or non-compliance by the LESSEE of any of the
23 provisions of paragraph 6 or 7 hereof.

24 D. LESSEE failing to maintain the leased premises and
25 improvements in good condition and repair according to the terms of this
26 Lease.

27 E. It is understood that the LESSEE is bound by the rules
28 and regulations of the Carson Airport and must comply with same. Should

1 said rules and regulations be amended from time to time it shall be the
2 responsibility of LESSEE to become informed as to any amendments and comply
3 with same. LESSEE further agrees that its license and authority to carry on
4 business at the airport shall be subject to the terms and conditions set out
5 in those rules and regulations. Nothing in this paragraph shall authorize
6 the CITY to alter the terms of this Lease by unilateral action.

7 It is specifically understood and agreed that the
8 above-mentioned occurrences are separate and that each constitutes a
9 separate basis upon which this Lease may be terminated.

10 VII. LEASE PAYMENTS:

11 1. LESSEE shall pay to the CITY five cents (\$0.05) per square
12 foot per annum of land area leased on the subject parcel, payable monthly,
13 on or before the 10th day of each month. Should LESSEE fail to construct
14 its buildings on the subject parcel within the above-described time frames,
15 then LESSEE shall pay to the CITY ten cents (\$0.10) per square foot until
16 the building in violation of the applicable time frame is erected. This
17 increased payment in no way absolves LESSEE from its obligation to construct
18 said buildings and in no way affects CITY's remedies regarding the same.

19 2. Fuel Sales: LESSEE guarantees that its supplier of fuel
20 shall pay LESSOR 1-1/2 cents per gallon of fuel utilized at the Carson CITY
21 Airport.

22 Should LESSOR choose to construct, upon Board approval, a fuel
23 facility and should the LESSEE choose to use said facility, then LESSEE
24 would pay LESSOR an additional 1-1/2 cents per gallon of fuel utilized.
25 This additional fuel storage fee shall not apply to fuel sold to agencies
26 of the United States Government, the State of Nevada, and to aircraft
27 operated by LESSEE.

28 3. An adjustment of the rents and fees shall occur on five year

1 anniversary intervals during the term of this Lease with the base year being
2 January 1, 1987. Such adjustment shall be based upon the percentage
3 increase reflected by the Consumer Price Index (hereinafter called the Price
4 Index). The Price Index shall mean the average for "all items" shown on the
5 "U.S. City Average for Urban Wage Earners and Clerical Works (including
6 Single Workers)", all items, groups, subgroups, and special groups of items
7 as promulgated by the Bureau of Labor Statistics of the U.S. Department of
8 Labor. The base index to be used shall be the average of such index figures
9 published for the first quarter of calendar year 1977. In no event,
10 however, shall any decrease in the Consumer Price Index result in a decrease
11 of the rent.

12 **VIII. INSURANCE:**

13 1. **LESSEE** shall indemnify and save harmless the CITY, its
14 officers, agents and employees, from and against any and all claims,
15 demands, loss or liability of any kind or nature which CITY, its officers,
16 agents and employees, or any of them, may sustain or incur or which may be
17 imposed upon them or any of them, for injury to or death of any persons or
18 damage to any property in the use of the premises described in paragraph II
19 herein.

20 2. As a condition precedent to the effectiveness of this Lease
21 and in partial performance of the LESSEE's obligations hereunder, LESSEE
22 shall obtain and maintain in full force and effect during the term of this
23 agreement, a policy or policies of liability insurance with carriers and in
24 form satisfactory to CITY with minimum limits of \$500,000/1,000,000 bodily
25 injury and \$1,000,000 property damage insurance, or equivalent. The CITY
26 shall be named as an additional insured in such policies.

27 3. The policy shall further provide that the same shall not be
28 cancelled or coverage reduced until a thirty (30) day written notice of

1 cancellation has been served upon the CITY.

2 4. LESSEE shall deliver an acceptable certificate of insurance
3 to CITY.

4 5. In addition, the LESSEE shall provide and maintain fire and
5 extended coverage insurance against damage to the buildings to be
6 constructed upon the leased premises in the amount of the insurable value
7 thereof.

8 6. The procuring of such policies of insurance shall not be
9 construed to be a limitation upon the LESSEE's liability or as a full
10 performance on their part of the indemnification provisions of this Lease,
11 LESSEE's obligation being, notwithstanding said policies of insurance, for
12 the full and total amount of any damage, injury or loss caused by negligence
13 or neglect connected with their operation under this Lease.

14 IX. MISCELLANEOUS TERMS:

15 1. Construction:

16 LESSEE may construct, modify, repair or improve its leased
17 premises at any time during the term of this Lease in conformance with
18 established and customary standards of Fixed Base Operations development,
19 zoning ordinances, sign ordinances and building codes of Carson CITY.
20 Except for minor repairs, LESSEE shall obtain the prior consent to the CITY.

21 2. Assignment or Subletting of Lease:

22 A. LESSEE shall have the right to assign or sublet this
23 Lease, subject to assignee/sublettee meeting the CITY's requirements
24 concerning financial responsibility and the CITY's granting advance written
25 approval by Board action. Any assignment, or sublease, of this Lease will
26 require that the assignee/sublettee be subject to all conditions, items and
27 provisions of this Lease.

28 B. LESSEE shall have the right to assign/sublet or sell

1 this Lease, for the purpose of securing additional financing, upon the prior
2 approval of the CITY.

3 C. For the purposes of this section, LESSEE shall give
4 written notice to CITY of any proposed assignment or sublease.

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

8 E. Approval of assignment, or sublease, will not be
9 unreasonably withheld.

10 3. Utilities:

11 Unless otherwise expressly stated herein, LESSEE agrees to
12 pay for all utilities used on the leased premises.

13 4. Inspection by CITY:

14 LESSEE agrees to permit CITY to enter upon and inspect all
15 leased premises at all reasonable times.

16 5. Rights of Quiet Enjoyment:

17 LESSEE is granted the right to ingress, egress and free
18 access to the premises and to peaceful possession and quiet enjoyment. CITY
19 shall provide an access easement on the parcel immediately south of the
20 subject parcel (at a location mutually acceptable to the parties) to said
21 parcel if required by LESSEE. LESSEE shall improve said access easement to
22 CITY standards.

23 6. CITY Not to Interfere with Business:

24 A. CITY agrees not to make any fundamental changes in its
25 master plan that would adversely affect the LESSEE's business.

26 B. CITY will not (without just cause) give terms better
27 than those specified herein to any other operator or tenant.

28 C. CITY further agrees that it will continue to operate the

1 airport as a public airport, consistent with governmental regulations,
2 throughout the term of this Lease.

3 D. If CITY requires removal or relocation of any area of
4 land, building or other facility leased herein during the Lease period, the
5 CITY agrees to pay all costs to relocate LESSEE's facilities to a place on
6 the airport of comparable convenience and accessibility and to further
7 replace any improvements on the leased property constructed by LESSEE.

8 7. Maintenance of Premises:

9 LESSEE agrees to maintain the interior and exterior of all
10 buildings constructed upon the leased premises in a clean, sanitary and
11 attractive condition.

12 8. Snow, Ice and Weed Removal:

13 A. The CITY agrees to promptly remove all ice, snow and
14 weeds from all common areas of the airport. CITY agrees to engage private
15 equipment to maintain the airport when CITY equipment is not available for a
16 period of more than 36 hours from the time VFR conditions prevail.

17 B. The LESSEE agrees to remove snow, ice and weeds from the
18 areas leased and herein described. The CITY may, at the request of LESSEE,
19 assist LESSEE in snow, ice and weed removal. In the event of CITY
20 assistance, LESSEE agrees to hold CITY harmless from all liability for
21 damage caused by such assistance on leased property.

22 9. Rules of Construction:

23 A. Whenever approval of either party is herein required,
24 approval shall be presumed upon the failure to respond within thirty (30)
25 days of mailing of notice.

26 B. Whenever approval of either party is required herein,
27 approval shall not unreasonably be withheld.

28 / / /

1 X. SUBCONTRACTING RIGHTS:

2 The LESSEE shall have the right to subcontract portions of
3 activities under the terms of the Lease, provided such agreements meet the
4 requirements of this Lease.

5 XI. TAXES:

6 LESSEE agrees to pay all taxes legally imposed or assessed upon
7 its property located at the Carson Airport.

8 XII. GENERAL:

9 1. It is understood and agreed that each and all the terms of
10 this Lease are subject to the regulations and provisions of law applicable
11 to the operation of Carson Airport as a Federal Aid Airport Project. If any
12 provision of this Lease is invalid, the other provisions of the Lease which
13 are valid shall remain in effect, and the Lease will be re-negotiated to
14 comply with the requirements of the applicable laws and regulations.

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

19 3. Carson City shall have complete dominion over the premises
20 described in Paragraph II herein during the term of this Lease for the
21 purpose of and to the extent necessary to maintain law, order and safety and
22 has the authority and the right to deny access to the Carson Airport by any
23 person who fails to conform.

24 XIII. NOTICES:

25 It is agreed that any notice to be given or served upon the
26 LESSEE shall be sufficient if sent by registered mail, postage prepaid
27 addressed to MENTORS UNLIMITED, INC., P. O. Box 2667, Carson City, Nevada
28 89702, and any notice to be given or served upon the CITY shall be

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sufficient if sent by registered mail, postage prepaid, addressed to the Carson City Manager, 2621 Northgate Lane, Carson City, Nevada 89701.

XIV. SUCCESSORS AND ASSIGNS:

By this Lease, each party binds himself, his heirs, trustees, representatives and all successors and assigns in interest. Each party guarantees the performance of any and all covenants and conditions contained in this agreement; and upon the failure of any successor in interest to so perform, the parties agree to complete such covenants, conditions and requirements of this agreement.

EXECUTED at Carson City, Nevada, as of the day and year in this agreement first above written.

CARSON CITY

By *Dan Flamer*
DAN FLAMER, Mayor

"LESSOR"

ATTEST:

By *Ted P. Thornick*
TED P. THORNICK, Clerk

APPROVED AS TO FORM:

By *Robert L. Auer*
ROBERT L. AUER
Deputy District Attorney

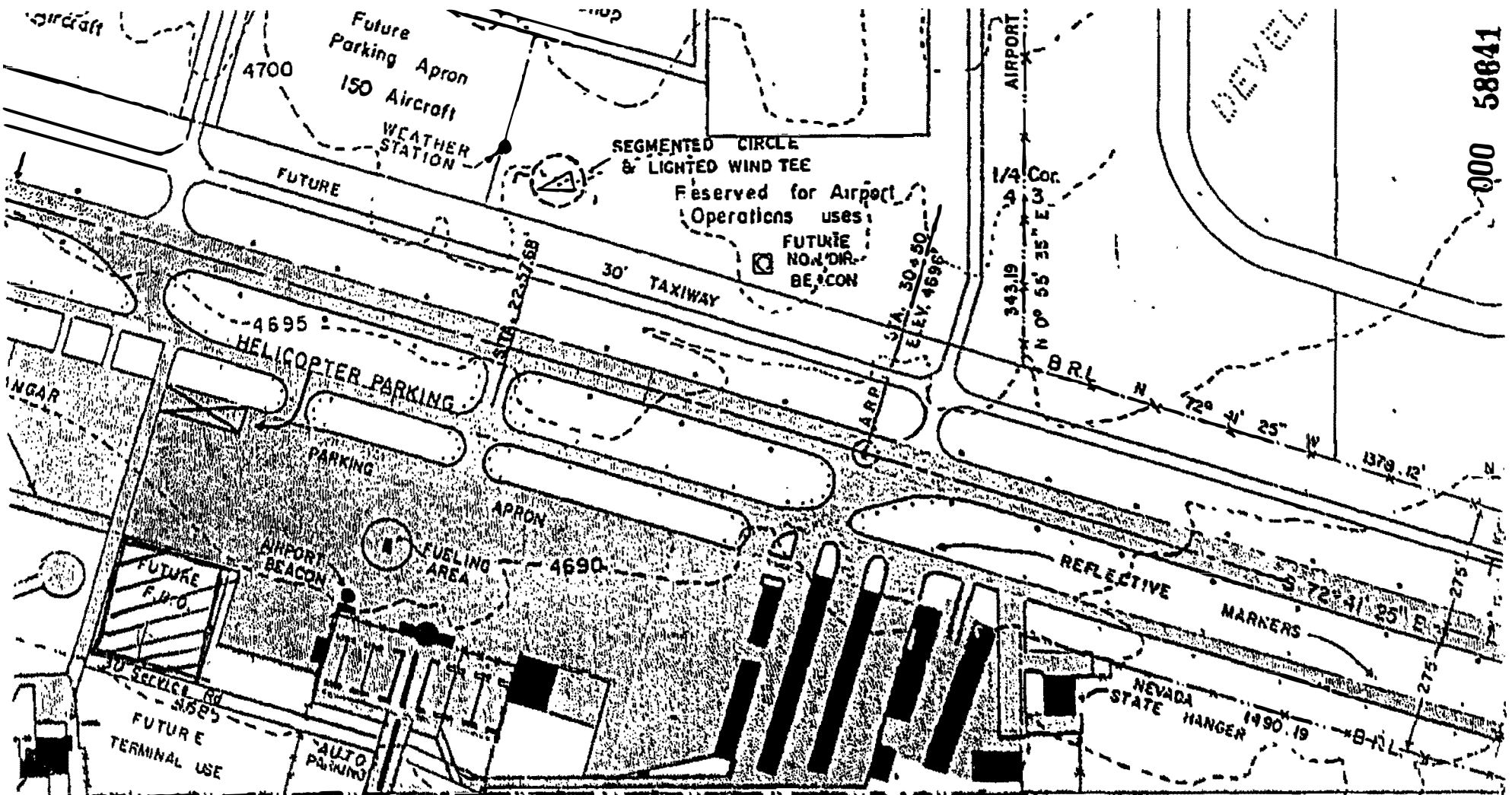
MENTORS UNLIMITED, INC.

Neil Weaver
NEIL WEAVER

"LESSEE"

Donald Miller
Attorney at Law
Approval as to form
representing Mentors Unlimited

000 58841



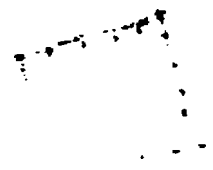
— Lease area

LEGEND

ULTIMATE	ITEM

"A"

11086 W
11086 E



Vertical text or stamp on the right side of the page, possibly a date or reference number.

FILED IN RECORD
OFFICE OF
Sed Thornton
37 MAY 22 1935

FILED 000 58841

CLERK OF THE COURT
BY *Perondi* DEPUTY

4/c 000 58841

18888 3.

ADDENDUM TO LEASE

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3 THIS ADDENDUM TO LEASE, made and entered into this 30th day
4 of November, 1992, by and between CARSON CITY AIRPORT AUTHORITY,
5 successor to CARSON CITY, a consolidated municipality of the
6 State of Nevada, hereinafter referred to as LESSOR, and MENTORS
7 UNLIMITED, INC., a Nevada corporation, hereinafter referred to
8 as LESSEE.

9 WITNESSETH:

10 WHEREAS, LESSOR and LESSEE have entered into a certain lease
11 dated May 21, 1987, regarding a certain portion of the Carson
12 City Airport; and

13 WHEREAS, the ^{CARSON CITY AIRPORT AUTHORITY} ~~parties~~ desire to resolve ambiguities regarding
14 the CPI adjustment clause provision of the Agreement.

15 NOW THEREFORE, for and in consideration of the mutual
16 covenants and agreements set forth herein the parties hereby
17 agree:

18 1. That the CPI adjustment to rent effective December 1,
19 1992 shall be 24% of the base rent rate. (ie \$.05/sqft/yr raised
20 to \$.062/sqft/yr)

21 2. That section VII(3) of the Agreement is hereby further
22 amended to read as follows:

23 3. An adjustment of the rental and fees above
24 described shall occur on two year anniversary intervals
25 from December 1, 1992, during the term of this Lease.
26 Such adjustment of rental shall be based upon the
27 percentage increase reflected by the Consumer Price
28 Index (hereinafter called the Price Index) for the

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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 that agency. LESSOR 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 1 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.

3. That all other provisions of the Agreement shall remain in effect and are not altered by this Addendum.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to Lease.

CARSON CITY AIRPORT AUTHORITY,
LESSOR

By Walter Sullivan

ATTEST:

Steven E. Tackes
Steven E. Tackes, Vice-Chairman

MENTORS UNLIMITED, INC., LESSEE

By Phil A. Wenzel

WPSI/ARPTLSE2ADD

FILED FOR RECORD
AT THE REQUEST OF
CROWN PAPER
'93 FEB 17 P2:47

FILE NO. **000140253**
RITOSHI NISHIKAWA
CARSON CITY RECORDER
FEES 7.00 DEB VC

000140253

000140253

RECORDED AT THE
REQUEST OF
CARSON CITY CLERK TO
THE BOARD

2014 JUN -4 PM 3:20

FILE NO. 444891

ALAN GLOVER
CARSON CITY RECORDER

MC [Signature]

APN _____

APN _____

APN _____

FOR RECORDER'S USE ONLY

Fifth Addendum to Lease - Mentor's Unlimited, Inc.
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: _____

Kathleen King
Signature

Kathleen King
Print Name & Title

WHEN RECORDED MAIL TO:

cc Clerk

201 N. Carson St., Ste. 1

cc, NW 89703

444891

FIFTH ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE, made and entered into this 16 day of April, 2014, by and between CARSON CITY AIRPORT AUTHORITY, successor to CARSON CITY, a consolidated municipality of the State of Nevada, hereinafter referred to as LESSOR, and MENTORS UNLIMITED, INC., a Nevada Corporation, hereinafter referred to as LESSEE.

WITNESSETH

WHEREAS, LESSOR and LESSEE have entered into a certain lease dated May 21, 1987, regarding a certain portion of the Carson City Airport with an Addendum executed November 30, 1992, a Second Addendum executed February 10, 1994, a Third Addendum executed December 8, 1994 and a Fourth Addendum executed September 19, 2002; and

WHEREAS, the parties desire to adjust the boundaries of the area leased so as to reflect creation of a separate lease to be issued to CACTUS AIR FORCE, LLC regarding the sublease transferred concurrently from DENNIS BUEHN to CACTUS AIR FORCE, LLC, and a corresponding removal of that lease area from this lease.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein the parties agree;

1. That Section I of the Agreement is amended to read as follows:

I. PROPERTY LEASED; The Airport Authority hereby leases to LESSEE that certain portion of the Carson Airport which is defined on the map marked as Exhibit A attached to the original lease minus an area of one hundred forty (100) feet

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in width on the western most portion of said area. The resulting total leased area is more particularly described as follows:

"A certain parcel of land situate in the north 1/2 of the southeast 1/4 of section 4, township 15 north, range 20 east, M.D.B.&M., Carson City, Nevada, said parcel being more particularly described to wit:

Commencing at the south 1/16 corner common to section 3 and 4; thence on a Nevada State plane coordinate system bearing north 71°05'32" west - 2036.03 feet; thence south 71°41'25" east - 15 feet; thence continuing south 72°41'25" east 100 feet to the point of beginning; thence continuing south 72°41'25" east - 141 feet; thence south 17°18'35" west - 150 feet; thence north 72°41'25" west - 141 feet; thence north 17°18'35" east - 150 feet to the point of beginning. The above described parcel has an area of 21,150 sq. ft. more or less."

2. That all other provisions of the Agreement shall remain in effect and are not altered by this Addendum, with the exception of the reduction to rent due for the reduced square foot area upon the same rental rate as currently in effect (\$0.104/sq.ft/yr) and thus rent shall be \$2,199.60 annually (\$183.30 monthly) subject to future CPI increases as specified in the lease.

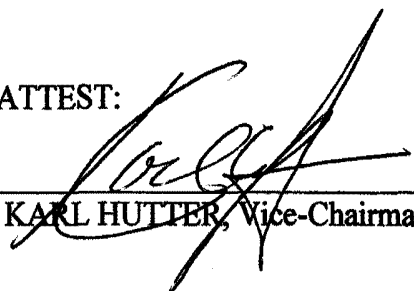
IN WITNESS WHEREOF, the parties hereto have executed this Addendum to Lease.

CARSON CITY AIRPORT AUTHORITY,

LESSOR

By 
GUY WILLIAMS, Chairman

ATTEST:


KARL HUTNER, Vice-Chairman

MENTORS UNLIMITED, INC., LESSEE

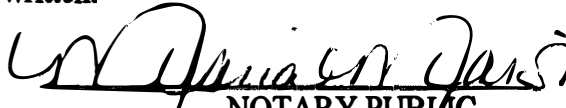
By 
Neil A. Weaver, President

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STATE OF NEVADA)
 : ss
CARSON CITY)

On this 17th day of April, 2014, before me, the undersigned, a Notary Public, personally appeared NEIL WEAVER, President of, or Managing Member of MENTORS UNLIMITED, INC., 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 15th day of May, 2014.



ROBERT L. CROWELL, Mayor

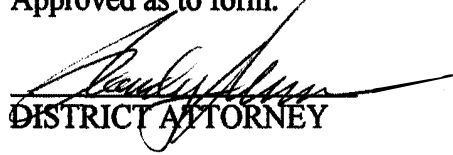
ATTEST:



ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL

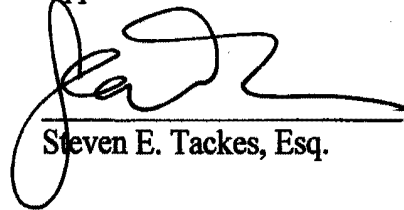
Approved as to form.



DISTRICT ATTORNEY

AIRPORT COUNSEL

Approved as to form.



Steven E. Tackes, Esq.

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RECORDED AT THE
REQUEST OF
CARSON CITY CLERK TO
THE BOARD

2014 JUN -4 PM 3:19

FILE NO. 444890
ALAN GLOVER
CARSON CITY RECORDER
N/C

FOR RECORDER'S USE ONLY

APN _____

APN _____

APN _____

Carson City Airport Lease Agreement - Caritas Air Force, LLC
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: _____

Kathleen King
Signature

Kathleen King
Print Name & Title

WHEN RECORDED MAIL TO:

Ce Clerk

201 N. Carson St., Ste. 1

Ce, NV 89701

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CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 16 day of April, 2014, between Carson City, the Carson City Airport Authority (Landlord), whose address is 2600 College Parkway #6 Carson City, Nevada 89706, and CACTUS AIR FORCE LLC, a Nevada limited liability company (AKA CACTUS AIR FORCE LIMITED LIABILITY COMPANY) (Tenant), whose address is 2600 College Parkway #33 Carson City, Nevada 89706.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to enter into separate leases for the area previously subleased from Mentors Unlimited Inc., (Original lease recorded as Doc #000170359; Sublease recorded as Doc# 000133264) incorporating the principal terms of said lease and sublease into the Airport; 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 premises 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 the western-most area approximately 100 feet wide by 150 feet deep as shown on the attached map as the "Buehn Sublease 100 x 150" attached hereto as Exhibit A-1, 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 end on December 7, 2024.

3. RENT. Tenant shall pay to Landlord:

A. \$1,560.00 per year (\$130.00 per month); calculated as \$0.104 per square foot per year for the entire leased area (15,000 sq. ft.) Rent shall be payable monthly with payments thereafter due on the first day of each month. Tenant shall be responsible for the paving of ramp and taxiway area within the leasehold boundaries.

B. Tenant shall not be required to pay, per acre leased, in utilities infrastructure fees for existing utilities, to utilize the utility plant previously installed on the Airport at the expense of the

Airport Authority. However any new utility hookup fees may be assessed by the Carson City Utility Department.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 2014, 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 2013 is 155.0 (1982-1984=100) and for December 2011 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 maintain the existing improvements. For all new construction upon the premises, Tenant shall meet the construction requirements and standards adopted by Landlord pursuant to Title 19 of the Carson City Municipal Code.

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 from 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.

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- 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 the permitted FBO activities identified below. Tenant 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. Landlord hereby designated Tenant as a Class I Fixed Base Operator within the meaning of Section 19.02.020.350 of the Carson City Municipal Code.

Tenant is specifically permitted but not required to offer the following services:

1. Sales of new and used aircraft, including demonstrations of aircraft for sale.
2. Sales of aircraft parts, retail and wholesale, radio and electronic equipment, navigation and airman supplies and accessories.
3. Flight operations, rental and charter (with or without pilot), air taxi and air ambulance.
4. Flight training (primary and/or advanced).
5. Maintenance, repair and overhaul of all types of aircraft, engines, instruments, radio and electronic gear.
6. Aircraft interior work.
7. Aircraft finishing and painting.
8. Aircraft storage and tie-down.
9. Any other service or activity which may be provided by a Fixed Base Operator under the rules and regulations of Landlord, including but not limited to the services and activities enumerated in Section 19.02.020.350 of the Carson City Municipal Code, provided that such other service or activity is approved by Landlord through formal action.

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

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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.
- 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 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, 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 have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/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. The term "corporate interests" shall include corporate ownership, or the ownership of any partnership, trust, Limited Liability Company and other entity for ownership by more than one person permitted by Nevada law.

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 TWO MILLION DOLLARS (\$2,000,000.00), 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.

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 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 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 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.

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.

----NEXT PAGE IS SIGNATURES---

444890

TENANT
CACTUS AIR FORCE, LLC , aka
CACTUS AIR FORCE LIMITED
LIABILITY COMPANY


By: RICK R. CLEMENS, Manager

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


GUY WILLIAMS, CHAIRMAN

ATTEST:


KARL HUTTER, VICE CHAIR

STATE OF NEVADA)
 : SS
COUNTY OF Carson City

On this 17th day of April, 2014, before me, the undersigned, a Notary Public, personally appeared RICK R. CLEMENS, Manager, Cactus Air Force LLC, known or proved to me to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

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


NOTARY PUBLIC (SEAL)



444890

CARSON CITY

The Board of Supervisors of Carson City, Nevada, as underlying owner of the Airport, and thus the Lease Parcel, hereby approves and acknowledges the Lease, and the right and authority of the Authority to lease the Lease Parcel to Tenant.

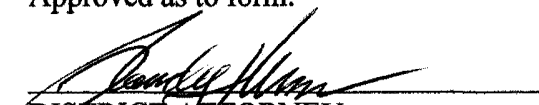
Approved by the Board of Supervisors this 15th day of May, 2014.


ROBERT L. CROWELL, Mayor

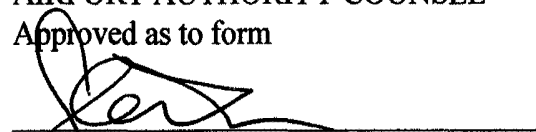
ATTEST:


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.

444890

EXHIBIT A- Legal Description

"A certain parcel of land situate in the north 1/2 of the southeast 1/4 of section 4, township 15 north, range 20 east, M.D.B.&M., Carson City, Nevada, said parcel being more particularly described to wit:

Commencing at the south 1/16 corner common to section 3 and 4; thence on a Nevada State plane coordinate system bearing north 71°05'32" west - 2036.03 feet; thence south 71°41'25" east - 15 feet to the point of beginning; thence continuing south 72°41'25" east - 241 100 feet; thence south 17°18'35" west - 150 feet; thence north 72°41'25" west - 241 100 feet; thence north 17°18'35" east - 150 feet to the point of beginning. The above described parcel has an area of 15,000 sq. ft. more or less."

TOGETHER WITH all tenements, hereditaments and appurtenances, including easements, if any, thereto belonging or appertaining.

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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 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.

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