



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: H-02

BOARD MEMO 2024-26

Meeting Date: November 20, 2024

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Adoption of resolution and notice of invitation to bid to Carson City Airport Lease located at the South side of airport being 2.48 acres bounded by College Parkway, The Airport parking lot, and the existing leases to the West and North of the subject parcel; appropriate minimum lease rate and terms of lease and permitted uses; set deadline for bids and the date for the bid opening and consideration pursuant to NRS 244.283 (C. Jenkins, S. Tackes)

Staff Summary: Per NRS 244.283, the required process for leasing airport land is via a public offering and sealed bid process upon adoption of resolution by the Authority. The Authority had previously identified this parcel for lease and obtained an appraisal. The proposed resolution will: (a) Describe the property proposed to be leased in such manner as to identify it; (b) Specify the minimum rental, and the terms upon which it will be leased and/or leased with a purchase of the hangar; and (c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board to be held at its regular place of meeting, at which sealed proposals to lease will be received and considered.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move to approve the draft resolution and notice of invitation to bid for the land located at the south side of the Airport being 2.48 acres bounded by College Parkway, the Airport parking lot, and the existing leases to the West and North of the subject parcel with a deadline for bids of _____ and the date for the bid opening and consideration of _____.

CCAA'S Strategic Goal

Maintain financial stability

Support economic activity in the region

Previous Action and Executive Summary

In the 2020 CCAA Master plan, the land is identified for hangar development and non-aviation use development. The current ALP does not identify the non-aviation use land and will be subject to FAA approval for any non-aviation use. The access point for this parcel to the airport is only 79 feet in total. It is smaller than the design standard of the airport's Taxiway Object Free Area of 131 feet. While this property has some limitations, it is a prime location on the airport which is reflected in the appraised rate.

Financial Information

Is there a fiscal impact?

No Yes

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

General Fund:

The fiscal impact will be determined by the outcome of the selected winning bid

Is it currently budgeted?

No

Alternatives

Approve the resolution and notice of invitation to bid with suggested changes

Do not approve the resolution and notice of invitation to bid

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

**RESOLUTION AND NOTICE OF INVITATION
TO BID CARSON CITY AIRPORT LEASES**

The Carson City Airport Authority will receive sealed bids for the lease of airport property located on the south side of Airport being 2.48 acres bounded by College Parkway, the Airport parking lot and the existing leases to the west and north of the subject parcel, upon minimum terms and conditions as adopted by the Carson City Airport Authority on November 21, 2024. The minimum terms, conditions and specifications together with maps identifying the property available for lease are on file and available for inspection at the offices of the Carson City Airport Authority, Airport Manager, 2600 E. College Parkway, Terminal Building, Carson City, Nevada, or on the Authority's webpage www.flycarsoncity.com

Bidders may obtain copies of the documents from the Airport at no charge by downloading them from the Information page on the Authority's webpage.

The Airport Authority resolved its intention to invite bids to lease the following property:

- (a) Area offered for lease. That 2.48 acre lot located on the Airport property, bounded by College Parkway on the south, the Airport parking lot on the east, and the existing leases to the west and north, all as described in the survey document and legal description posted on the airport webpage, www.flycarsoncity.com .
- (b) The minimum rental and terms.
1. Lease term to be 50 years, with an automatic CPI adjustment every 2 years.
 2. Minimum rental rate shall be \$0.64 per square foot per year, i.e. an amount per year calculated as \$0.64 times the area leased in square feet.
 3. Lease includes aircraft access to taxiway at no additional cost. Tenant is responsible for paving or other connector to the taxiway access and such included internal taxi-lanes as necessary for Tenant's building/hangar construction.
 4. Lessee must comply with all Airport rules, including those set forth in Carson City Municipal Code Title 19.
 5. A model lease is provided with the document package setting forth the terms.
 6. The proposed uses on the leased area are for FBO services, hangar construction and aircraft storage, as well as other uses proposed by the bidder which the Authority finds reasonable, compatible and otherwise permitted by Title 19.
 7. Bidders may propose a lease for less than the entire area. The successful bidder will be responsible for the expenses of recording a record of survey needed to re-parcel the area per requirements of the Carson City Assessor.
 8. The successful bidder must bring utilities to the lease site at the bidder's expense.
 9. The successful bidder must reimburse the Airport Authority for the proportional part of the appraisal costs.

(c) Sealed bids must be received at the office of the Carson City Airport Authority by 5:00 p.m. Monday January 13, 2025. The bidder must supply 10 copies of his/her bid. A special public meeting of the Carson City Airport Authority will be held at the Robert Crowell Board Room, Community Center, 851 E. William St, Carson City, Nevada at 5:30 pm on Wednesday January 15, 2025. Any interested person may appear at the meeting. At such time all sealed proposals will be opened and examined by the Authority, and at which time the Authority will select the winning bid. In the event that additional time is needed by the Airport Authority to review and select the winning bid, a special meeting will be scheduled within 21 days of bid opening per NRS 244.283. The Airport Authority will examine all bids from the standpoint of best airport land use, appearance, and integration into other airport operations and shall accept the highest bid which meets those and the other specified terms and conditions. Terms and conditions contained in bids which differ from the specified requirements, but are considered reasonable by the Carson City Airport, may be negotiated as a condition of award. Oral bids may be made at that time under the provisions of NRS 244.283. Persons who submit sealed bids shall be considered to have given notice that they may participate in oral bidding. Persons who do not submit sealed bids must notify the Airport Authority in writing at least 5 days prior to bid opening of their intent to participate in oral bidding. At the time of such bidding, said persons must identify how their bids comply with the minimum terms, along with the materials and information that would have been required in a bid submission.

Terms and conditions also include a requirement that the first year's minimum rent be paid in advance at the time of execution of the lease, and that said lease is conditioned upon approval by the Carson City Board of Supervisors as required by law.

Bids must be accompanied, at a minimum, by a statement setting forth the area to be leased, the bid amount (\$ ___ per sqft per year), building material and design specifications for the construction, an artist or architect sketch of the construction on site (general appearance and layout), a completed Lease Proposal Form, and a statement verifying that all terms and conditions set forth in the bid documents are accepted, or identifying alternative terms and conditions. All bids must remain available for acceptance for 60 days.

The Carson City Airport Authority reserves the right to reject any or all bids, or, accept reasonable modifications and limitations.

Carson City Airport Authority,
Tim Puliz, Chairman

APN _____

Lessee/ tax statements to:

NAME OF TENANT

--address---

--address---

The Tenant and Landlord hereto affirm that this document submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030).

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this ___ day of November, 2024, between Carson City, a consolidated municipality, a political subdivision of the State of Nevada, hereinafter referred to as “City” or “Carson City” (property owner) and the Carson City Airport Authority, an Airport operator per NRS 844 hereinafter referred to as “Airport Authority” (and together with City, “Landlord”), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706 (email to: manager@flycarsoncity.com), and NAME OF TENANT (“Tenant”), whose address is _____ (email to: _____).

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to enter a lease as regards certain ground space for construction and operation of an FBO under 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 premises consistent with uses desired by Landlord and to provide economic activity and monetary support to the Carson City Airport (“Airport”); and

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located on the Airport property, bounded by College Parkway on the south, the Airport parking lot on the east, and the existing leases to the west and north, all as described in the survey document and legal description on Exhibit A (“Legal Description”) to this lease, with the appurtenant rights included in Paragraph 8. The area is comprised of approximately 108,029 sq ft. of undeveloped property.

2. TERM. The term shall be fifty (50) years from the date of Board of Supervisors approval of this lease.

3. BASE RENT. Tenant shall pay to Landlord \$ _____ per year (\$ _____ per month); calculated as \$0.xx per square foot per year (upon lease approval; to be paid on the first of the month following Board of Supervisor approval of the lease). Rent shall be payable monthly with payments due on the first day of each month. Tenant shall be responsible for the maintenance of the paving of ramp areas within the leasehold boundaries.

A. Tenant must bring utilities infrastructure to site at Tenant's cost, and must pay hookup fees or other related fees, if any, assessed by the Carson City Utility Department.

B. Tenant shall maintain, at Tenant's cost, utilities infrastructure in conformance with the engineering design and installation approved by the Airport Authority

C. Tenant to reimburse Landlord for the appraisal cost of \$3,000.00 with first rent payment.

4. ADJUSTMENTS TO BASE RENT.

A. CONSUMER PRICE INDEX ADJUSTMENT. An adjustment of the rental and fees described above shall occur first on January 1, 2027, then at two-year anniversary intervals from January 1, 2027, 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 Bureau of Legal Statistics. 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 January 1 adjustment date. In no event, however, shall any decrease in the Price Index result in a decrease of the rental below the base rate set forth at Section 3 of this lease. For example, if the Price Index for November 2027 is 155.0 (1982-1984=100), and for November 2025 was 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.

B. MARKET TO MARKET LAND APPRAISAL. On January 1, 2040 (year 15), and thereafter at each 10-year anniversary of the lease term, the rent rate shall be adjusted to the appraised rate as determined by an MAI certified appraiser, selected from the Carson City Board of Supervisors' approved list of appraisers. Landlord and Tenant shall share equally the expense of such appraisals.

5. IMPROVEMENTS. Tenant shall commence construction of the project as set forth in Exhibit B to this lease with construction of all office and hangar construction completed within 2

years of Board of Supervisor approval of this lease. Tenant shall meet the construction requirements and standards adopted by Landlord pursuant to Title 19 of the Carson City Municipal Code, including but not limited to, expending funds for maintenance on the property, pavement and improvements, at an effective rate of at least \$0.03/sqft/yr averaged over a 10-year period. Upon completion of construction, Tenant shall provide Landlord with an exterior and pavement maintenance plan and shall abide by the plan. Upon each 10-year anniversary of January 1, 2025, the Tenant shall report on its improvements to, and maintenance on, the leasehold made during the 10-year period. Upon request of Landlord, Tenant shall provide supporting documentation of such Tenant expenditures to ensure that the facility is being maintained in the same fashion (i.e. the same, good condition as when improvement construction was completed, normal wear and tear excepted). Such maintenance shall include, as a minimum, adequate care of the Tenant pavement such that the pavement remains no lower than a fair rating (i.e. PCI 58-74). Failure to maintain leasehold improvements at or above these standards shall be treated as a breach of this lease.

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, except to the extent such non-use is within the construction schedule.

C. Violation of Tenant or its contractors, and/or subcontractors of the terms and conditions of this lease, 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.

E. Filing a petition of voluntary or involuntary bankruptcy regarding Tenant.

F. The making by the Tenant of any general assignment for the benefit of creditors.

G. Violation of any of the standards, rules, and regulations set forth in CCMC Title 19, Appendix A of this lease, or Exhibit B (construction not required but if performed) to this lease, or failure to maintain current licenses required for the permitted operation.

H. Failure to provide or maintain the required certificates of insurance.

I. 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 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, the applicable lease provision(s), and must demand that Tenant cure its default and perform the provisions of this lease or pay the rent that is in arrears, within the applicable period of time, or quit the premises. Unless a different period to cure a default is specified in this lease, any notice of default from Landlord to the Tenant shall provide Tenant ten (10) days to cure its default, if the default is one that can be cured, 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.

Failure to declare a breach or the actual waiver of any particular breach of this lease or its material or nonmaterial terms by either Landlord or Tenant shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

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 Landlord deems appropriate. 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 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. 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. In the event of reletting, Tenant shall

still 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 a third party upon 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 for 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, including court costs, necessary to compensate Landlord for all detriments proximately caused by Tenant's default.

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises for FBO operations as described in the Carson City Municipal Code 19.02.020.350(5), and must provide at least one of those services. Tenant is expressly prohibited from conducting any activity at the Airport other than that provided by this lease or as may be approved by Landlord. Construction of a fuel facility on the premises is not permitted.

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.

All aircraft owned by the Tenant and 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 consecutive days. Tenant shall supply Landlord with evidence of the registration and taxation information for aircraft stored on the leased premises on the two-year anniversaries of this lease, or upon such shorter period as may be requested by the Airport Manager or required by the Hangar Use Ordinance, or other applicable law or policy.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the leased premises and a nonexclusive right to use the taxiways between the leased premises and the Airport's runway. Tenant shall be responsible for, and control the access to, the leased premises. Tenant is responsible for determining whether the designated taxiway access is sufficient for its needs. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, and/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 lease.

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 and comply with the Carson City Municipal Code Title 19, Airport Rules and Regulations.

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 Landlord 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. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended
- r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.
- s. Power plant and Industrial Fuel Use Act of 1978 -Section 403- 2 U.S.C. 8373.

- t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
- u. Copeland Anti kickback Act - 18 U.S.C. 874.1
- v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq. (if applicable)
- y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252)..
- aa. Such Federal Regulations and Executive Orders as may be applicable to FAA AIP funding, and such other OMB Circulars as may apply and are listed at https://www.faa.gov/airports/aip/grant_assurances/ 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 lease and in the event of such noncompliance, the Landlord shall have the right to terminate this lease 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 or entity 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 ensure 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 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 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 the Airport or otherwise constitutes a hazard. In the event this covenant is breached, the Landlord reserves the right to enter upon the leased 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 written consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

The parties agree that a transfer of corporate interests in Tenant exceeding 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 law.

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

10. INSURANCE AND BONDING.

A. Coverage. As a condition precedent to this lease, Tenant shall provide, at its own cost, commercial general insurance coverage in the amount of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence and TWO MILLION DOLLARS (\$2,000,000.00) aggregate, 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 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. Fire and extended coverage and vandalism and malicious mischief insurance, 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. Workers' Compensation & Employer's Liability Insurance. In addition, to the extent required by law, Tenant shall provide workers' compensation insurance as required by NRS Chapters 616A through 617 inclusive and Employer's Liability insurance with a

minimum limit not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

C. Insured Includes. Both Airport Authority and Carson City, individually, must be named as additional insureds and the insurance carrier underwriting such coverage must give the Landlord thirty (30) days written notice prior to cancellation of, or material alteration to, the insurance 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, including and renewals or extensions of this lease.

D. Review of Insurance coverage. Landlord reserves the right, every five years, to review and adjust the amount and kind of insurance coverage required.

E. 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. INDEMNIFICATION. To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, Landlord and Tenant shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents arising in connection to this lease. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section.

Except as otherwise provided below in this Section, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with: (1) a written request for a legal defense for such pending claim(s) or cause(s) of action; and (2) a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided

by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

In addition, and as more fully described in Section 12 of this lease, the Tenant further agrees to indemnify, hold harmless and defend Landlord from environmental liability for contamination or damage to the leased premises and any adjacent area to the leased premises related or connected with the occupation or use of the leasehold property.

12. ENVIRONMENTAL. The Tenant will conduct its business and operation on the leased premises in compliance with all applicable environmental laws and permits. No fuel storage (other than in aircraft fuel tanks of operational aircraft) is permitted on the leased premises. Flammable materials shall be stored in National Fire Code fireproof containers and not to exceed 5 gallons. 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 on or about the leased premises except in strict compliance with applicable environmental laws and 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 leased premises 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 leased premises, 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 leased premises 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 leased premises or traceable to the leased premises. If the Tenant does not complete the Investigations to the satisfaction of the Landlord, the Landlord may enter the leased

premises 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 leased premises, the Tenant will take all necessary action, at the cost of the Tenant, to restore the leased premises 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 hold harmless 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 Section 12 of this lease;
- (b) the presence of or release of any hazardous substance on or off-site of the leased premises;
- (c) any action taken by the Landlord with respect to the existence of any hazardous substance on or off-site of the leased premises; 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 leased premises;

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 the gross area leased or of buildings or facilities accepted or erected by Tenant.

Tenant shall provide and pay for all light, gas, electric, water, janitorial, sewer, trash and other utility 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. No parking of vehicles, trailers or Tenant property shall be outside of the hangar, nor blocking any taxi lane, except that vehicles will be parked immediately in front of hangar door if such can be done without obstructing any taxi lane, taxiway or public use area, or in designated parking areas.

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 assessments 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 this lease 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 Airport shall be immediately reported to Landlord or the designated Airport Manager.

17. AMENDMENTS. Any amendments to this lease require approval by the Landlord and Tenant. All proposed amendments must be submitted in writing to Landlord for review and placement before a regularly scheduled meeting of the 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 Airport as a Federal Aid Airport Project. If any provision of this lease is invalid, the other provisions of this lease which are valid shall remain in effect, and this 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 this lease's 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 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 Airport for 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 email; 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. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Tenant may be open to public inspection and copying. Landlord will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Tenant may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 332.061, provided that Tenant thereby agrees to indemnify and defend Landlord for honoring such a designation. The failure to so label any document that is released by Landlord shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

21. PROPER AUTHORITY. Landlord and Tenant represent and warrant that the person executing this lease on behalf of each party has full power and authority to enter into this lease. Tenant acknowledges that this lease is effective only for the period of time specified in this lease.

22. GOVERNING LAW / JURISDICTION. This lease and the rights and obligations of the Landlord and Tenant shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. Tenant consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for any dispute arising in relation to this lease.

23. ADDITIONAL CONDITIONS. No construction of new hangars or buildings is required by this lease. If construction is to be done by Tenant, then unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A and

Exhibit B (note: timeframes to be determined based on construction plans proposed by Tenant). Unless otherwise provided, all construction materials, appearance, and building size shall be completed as represented in the submissions to Landlord.

24. FORCE MAJEURE. In the event Tenant is unable to operate his aircraft maintenance business on the Leasehold due to any Act of God, war, civil insurrection, riot, earthquake, fire, weather, sickness, accident, epidemic, act of government or government regulation, general or sympathetic strike or lockout, unavailability of labor or materials, or any other cause beyond the control of the Tenant to this lease, the Tenant may terminate the lease upon 2 year anniversaries of January 1, 2023 and must first give 60 days written notice to Landlord.

25. ENTIRE CONTRACT AND MODIFICATION. This lease and its integrated attachment(s) constitute the entire agreement of Landlord and Tenant and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this lease specifically displays a mutual intent to amend a particular part of this lease, general conflicts in language between any such attachment and this lease shall be construed consistent with the terms of this lease. Conflicts in language between this lease and any other agreement between Landlord and Tenant on this same matter shall be construed consistent with the terms of this lease. The parties agree that each has had their respective counsel review this lease which shall be construed as if it was jointly drafted.

TENANT

Name

LANDLORD

CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA

Tim Puliz, CHAIRMAN

ATTEST:

Jon Rogers, TREASURER

STATE OF NEVADA)
 : ss
CARSON CITY)

Model FBO lease

On this ___ day of _____, 2024, before me, the undersigned, a Notary Public, personally appeared –Name of tenant or authorized person to sign for tenant--, known to me (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)

CARSON CITY

The Board of Supervisors of Carson City, Nevada, 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 ____ day of _____, 2024.

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

CLERK/RECORDER (or Deputy)

DEP. DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form

STEVEN E. TACKES, ESQ.

EXHIBIT A –legal description and plot map attached

**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 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

LEASE OF CARSON CITY AIRPORT PROPERTY

THIS AGREEMENT made and entered into this 17th day of December, 198¹, by and between CARSON CITY, a consolidated municipality of the State of Nevada, LESSOR, hereinafter referred to as "CITY", and MOBILL ENTERPRISES, INC., a Nevada corporation, hereinafter referred to as "LESSEE".

W I T N E S S E T H:

WHEREAS, the CITY and MOBILL ENTERPRISES, INC., have entered into a lease dated October 16, 1972; and Addendum thereto dated April 17, 1973; and

WHEREAS, said lease was assigned to William A. Drake with consent and approval of LESSOR, and

WHEREAS, the CITY and MOBILL ENTERPRISES, INC., desire to cancel said lease and enter into a new agreement modifying and supplementing the terms and provisions of said lease;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

I. CANCELLATION OF LEASE OF OCTOBER 16, 1972:

It is hereby agreed by and between the parties hereto that the lease of October 16, 1972, is cancelled and that the execution of this agreement shall constitute the entire Agreement between the parties hereto. The parties hereto release each other from their respective obligations under the lease of October 16, 1972. The CITY and LESSEE further agree that this cancellation shall not be construed as a termination or default of said former lease and addendum thereto such as would cause any buildings located on the former demised premises to become the property of Carson City.

II. PROPERTY LEASED:

The City hereby leases to Lessee that certain portion of the Carson Airport which is defined on the map attached hereto

1 marked Exhibit "A" and made a part hereof by this reference.

2 Said portion is more particularly described as follows:

3
4 PARCEL A - .006 WEST SIDE APRON

5 A certain parcel of land situate in the N ¼ of the SE ¼
6 of Section 4, T15N, R20E, MDB&M, Carson City, Nevada.
7 Said Parcel being more particularly described, to-wit:

8 Commencing at the S 1/16 corner common to Sections 3
9 and 4, thence on a Nevada State Plane Coordinate system
10 bearing of N 71°05'32" W 2036.03 feet; thence S
11 72°41'25" E 256.00 feet to the true point of beginning;
12 thence continuing S 72°41'25" E 240.33 feet; thence S
13 17°18'35" W 40.00 feet; thence S 72°41'25" E 10.00
14 feet; thence S 17°18'35" W 220.00 feet; thence
15 N 72°41'25" W 250.33 feet; thence N 17°18'35" E 260.00
16 feet to the true point of beginning.

17 Said Parcel containing 64,600 square feet.

18 PARCEL B - .014 WEST SIDE APRON (OPEN AIRCRAFT STORAGE)

19 A certain parcel of land situate in the N ¼ of the SE ¼
20 of Section 4, T15N, R20E, MDB&M, Carson City, Nevada.
21 Said Parcel being more particularly described, to-wit:

22 Commencing at the S 1/16 corner common to Sections 3
23 and 4, thence on a Nevada State Plane Coordinate system
24 bearing of N 71°05'32" W 2036.03 feet; thence
25 S 72°41'25" E 189.00 feet to the true point of
26 beginning; thence, N 17°18'35" E 272.23 feet; thence
27 S 72°41'25" E 114.00 feet; thence N 17°18'35" E 65.00
28 feet; thence S 72°41'25" E 178.33 feet to the NW corner
29 of Parcel .007; thence S 17°18'35" W 150.00 feet;
30 thence N 72°41'25" W 64.33 feet; thence S 17°18'35" W
31 187.23 feet; thence N 72°41'25" W 228.00 feet to the
32 true point of beginning.

Containing 18 Tie-Down Spaces.

III. TERM OF LEASE:

It is agreed that Lessee is granted the aforescribed
premises to have and to hold, including the use of all public
runways, taxiways and ramps in common with others, for the
following terms, unless sooner terminated as herein provided and
subject to conditions and covenants herein contained.

1. For the area referred to as Parcel A, shall be
leased for a term of thirty (30) years commencing on the date of
execution of this agreement.

1
2 2. For the area referred to as Parcel B, shall be
3 leased for a term of five (5) years with exclusive
4 right of renewal for five additional terms for a total of thirty
5 (30) years commencing on the date of execution of this agreement;
6 subject to both parties' agreement with lease fees and land usage
7 consisting of twenty tiedown spaces.

8 IV. IMPROVEMENTS:

9 Lessee agrees and covenants to complete construction of
10 a building or buildings containing not less than 2,900 square
11 feet on Parcel A on or before two (2) years from date of this
12 Agreement. This building program schedule shall be within the
13 following time frame: (1.) Total building and site plan shall
14 be submitted within one (1) year of this Agreement with
15 supporting financial funding data from a financial institution
16 with their commitment to fund; (2.) The building erection
17 permit shall be acquired from Carson City Public Works Code
18 Enforcement Division within eighteen (18) months from date of the
19 Agreement. Said building or buildings shall be constructed in
20 accordance with the Carson City Airport Rules and Regulations,
21 and all applicable building codes. In addition to the foregoing
22 building or buildings, Lessee may, with the written consent of
23 the City, construct such additional buildings as may be desired.
24 Said consent shall not be unreasonably withheld. Title to all
25 improvements, including, but not limited to the above-mentioned
26 building or buildings made on the premises, shall become the
27 property of the City upon the expiration or termination of this
28 lease.

29 V. NON-EXCLUSIVE RIGHTS GRANTED:

30 The use herein granted is for a fixed base operation by
31 the Lessee.

32 Lessee agrees and covenants to have the following
non-exclusive services available on any parcels leased:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

1. Aircraft sales.
2. Parts and accessories sales.
3. Charter operations which include, without limitation, passenger or "airtaxi"; freight or delivery; photography; aerial survey; agricultural spraying; individual or group rides; piloting sky divers, etc.
4. Aircraft rental.
5. Flight instruction or ground school.
6. Maintenance services which shall include services in one or more of the following:
 - A. Airframe overhaul and repair;
 - B. Engine overhaul and repair;
 - C. Radio and electrical shop;
 - D. Instrument shop;
 - E. Aircraft interior work;
 - F. Refinishing and painting.
7. Line services which shall include one or more of the following:
 - A. Supplying the fuel, oil and other fluids;
 - B. De-icing fluid;
 - C. Interior cleaning;

Any other services which may be provided by a Fixed Base Operator under the Carson City Airport Rules and Regulations shall be allowed, provided approval of the Carson City Board of Supervisors is first obtained. Such approval shall not be unreasonably withheld.

VI. FEDERAL AVIATION ADMINISTRATION REGULATIONS AGREED TO:

It is mutually understood and agreed by the Lessee and City that Carson City, in accepting federal aid for the development of the Carson City Airport, agreed in writing to FAA

1 regulations concerning any agreements, contracts, leases or other
2 privileges given in connection with the airport. These FAA
3 regulations require:

4 Aeronautical Uses

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

8 2. That the Lessee agrees to charge fair, reasonable
9 and not unjustly discriminatory prices for each unit or service,
10 provided that the Lessee may be allowed to make reasonable and
11 non-discriminatory discounts, rebates, or other similar types of
12 price reductions to volume purchasers. Lessee further agrees to
13 consult with City prior to increasing existing aircraft tiedown
14 charges.

15 3. That the Lessee agrees not to discriminate against
16 any person or class of persons by reason of race, color, creed or
17 national origin in the use of any of the facilities provided for
18 the public on the airport.

19 4. That the Lessee understands and agrees that
20 nothing herein contained shall be construed to grant or authorize
21 the granting of an exclusive right within the meaning of Section
22 308 of the Federal Aviation Act.

23 5. That City reserves the right to maintain, develop
24 or improve the landing area and all publicly owned facilities of
25 the airport as it may be found necessary in the City's sole
26 discretion, together with the right to direct and control all
27 ground traffic over designated aircraft taxi areas. The aircraft
28 users shall have right of access across the aisle-way located or
29 to be constructed in Parcel B.

30 6. That this lease shall be subordinate to the
31 provisions and requirements of any existing or future grant
32 agreements between City and the United States of any existing or

1 future Federal Aviation Regulations relative to the development,
2 operation or maintenance of the airport.

3 Non-Aeronautical Uses

4 7. That there is hereby reserved to City, its
5 successors and assigns, for the use and benefit of the public, a
6 right of flight for the passage of aircraft in the airspace above
7 the surface of all of the premises of the Lessee described in the
8 "Property Leased" section, herein, together with the right to
9 cause in said airspace such noise as may be inherent in the
10 operation of aircraft, now known or hereafter used for navigation
11 of or flight in the air, using said airspace or landing at,
12 taking off from or flight in the air, using said airspace or
13 landing at, taking off from or operation on Carson Airport.

14 8. That the Lessee by accepting this lease expressly
15 agrees for itself, its successors and assigns that it will not
16 erect or permit the erection of any structure or object nor
17 permit the growth of any trees on the land described in the
18 "Property Leased" section herein, in violation of any height
19 zoning ordinances.

20 9. That the Lessee by accepting this lease expressly
21 agrees for itself, its successors and assigns that it will not
22 make use of the premises described in the "Property Leased"
23 section, herein, in any manner which might interfere with the
24 landing and taking off of aircraft from Carson City Airport or
25 otherwise constitute a hazard. In the event the aforesaid
26 covenant is breached, City reserves the right to enter upon the
27 Lessee's premises described in the "Property Leased" section,
28 herein, and cause the abatement of such interference at the
29 expense of the Lessee.

30 10. The Lessee agrees that the Federal Aviation
31 Administration (FAA) Regulations listed in Paragraph A through I,
32

1 paragraph 7 herein, are part of this lease and that Lessee agrees
2 to abide by them.

3 VII. TERMINATION OF AGREEMENT:

4 1. In the event of any of the following conditions
5 existing Lessee may elect, in its sole discretion, any remedy
6 provided in Section (2) immediately following.

7 A. If the City fails to perform under this lease
8 after failing to remedy a deficiency after sixty (60) days
9 written notice by Lessee.

10 B. If the City commits any act that prevents
11 Lessee from doing any business authorized herein for a period of
12 sixty (60) days.

13 C. If the airport is closed by lawful authority,
14 if normal business is interrupted by fire, earthquake, flood,
15 enemy action, civil strife, strikes, picketing or other coercive
16 activity by labor groups, action by a public agency or public
17 officials, enactment, enforcement of public laws or any other
18 intervening cause beyond Lessee's control, which said closure
19 cannot be repaired or remedied within sixty (60) days.

20 2. When normal business is interrupted by any cause
21 set forth in paragraph (1) above, Lessee may elect, in its sole
22 discretion, to either terminate the lease or to have all rent and
23 fees abated throughout the period of interruption. Should Lessee
24 elect to have the rent abated, the term of this lease shall
25 automatically be extended a period of time equal to the period of
26 interruption.

27 3. The City may terminate this agreement in its
28 entirety upon the occurrence of any of the following events.

29 A. Filing of bankruptcy proceedings by or
30 against Lessee.

31 B. Lessee, or any one of them, making any
32 general assignment for the benefit of creditors.

1 C. The abandonment or discontinuance of
2 operations at the airport by Lessee.

3 D. Lessee defaulting in payment of the lease
4 payments as specified herein and the lease payment not being made
5 within fifteen (15) days after service of notice as provided
6 herein.

7 E. Violation or non-compliance by the Lessee of
8 any of the provisions of paragraphs F or G hereof.

9 F. Lessee failing to maintain the leased
10 premises and improvements in good condition and repair according
11 to the terms of this lease.

12 G. It is understood that the Lessee is bound by
13 the rules and regulations of the Carson Airport and must comply
14 with same. Should said rules and regulations be amended from
15 time to time it shall be the responsibility of Lessee to become
16 informed as to any amendments and comply with same. Lessee
17 further agrees that its license and authority to carry on
18 business at the airport shall be subject to the terms and
19 conditions set out in those rules and regulations. Nothing in
20 this paragraph shall authorize the City to alter the terms of
21 this lease by unilateral action.

22 4. It is specifically understood and agreed that the
23 above-mentioned occurrences are separate and that each
24 constitutes a separate basis upon which this lease may be
25 terminated.

26 VIII. LEASE PAYMENTS:

27 1. Lessee shall pay to the City three cents (\$0.03)
28 per square foot per annum of land area leased on Parcel A,
29 payable monthly, on or before the 10th day of each month. Lessee
30 shall pay to the City Two Dollars (\$2.00) per month for each
31 improved tiedown located on Parcel B, payable monthly, on or
32 before the 10th day of each month.

1 2. Fuel Sales: Lessee guarantees that its supplier of
2 fuel shall pay lessor 1-1/2 cents per gallon of fuel utilized at
3 the Carson City Airport.

4 Should lessor choose to construct a fuel facility and
5 should the lessee choose to use said facility, then lessee would
6 pay lessor an additional 1-1/2 cents per gallon of fuel utilized.
7 This additional fuel storage fee shall not apply to fuel sold to
8 agencies of the United States Government, the State of Nevada,
9 and to aircraft operated by lessee.

10 3. An adjustment of the rents and fees shall occur on
11 five year anniversary intervals during the term of this lease
12 with the base year being January 1, 1979. Such adjustment shall
13 be based upon the percentage increase reflected by the Consumer
14 Price Index (hereinafter called the Price Index). The Price
15 Index shall mean the average for "all items" shown on the "U.S.
16 City Average for Urban Wage Earners and Clerical Workers
17 (including Single Workers)", all items, groups, subgroups, and
18 special groups of items as promulgated by the Bureau of Labor
19 Statistics of the U.S. Department of Labor. The base index to be
20 used shall be the average of such index figures published for the
21 first quarter of calendar year 1977. In no event, however, shall
22 any decrease in the Consumer Price Index result in a decrease of
23 the rent.

24 IX. INSURANCE:

25 1. Lessee shall indemnify and save harmless the City,
26 its officers, agents and employees, from and against any and all
27 claims, demands, loss or liability of any kind or nature which
28 City, its officers, agents and employees, or any of them, may
29 sustain or incur or which may be imposed upon them or any of
30 them, for injury to or death of any persons or damage to any
31 property in the use of the premises described in paragraph II
32 herein.

1 2. As a condition precedent to the effectiveness of
2 this lease and in partial performance of the Lessee's obligations
3 hereunder, Lessee shall obtain and maintain in full force and
4 effect during the term of this agreement, a policy or policies of
5 liability insurance with carriers and in form satisfactory to
6 City with minimum limits of \$500,000/\$1,000,000 bodily injury and
7 \$1,000,000 property damage insurance, or equivalent. The City
8 shall be named as an additional insured in such policies.

9 3. The policy shall further provide that the same
10 shall not be cancelled or coverage reduced until a thirty (30)
11 day written notice of cancellation has been served upon the City.

12 4. Lessee shall deliver an acceptable certificate of
13 insurance to City.

14 5. In addition, the Lessee shall provide fire and
15 extended coverage insurance against damage to the building to be
16 constructed upon the leased premises in the amount of the
17 insurable value thereof.

18 6. The procuring of such policies of insurance shall
19 not be construed to be a limitation upon the Lessee's liability
20 or as a full performance on their part of the indemnification
21 provisions of this lease, lesses's obligation being,
22 notwithstanding said policies of insurance, for the full and
23 total amount of any damage, injury or loss caused by negligence
24 or neglect connected with their operation under this lease.

25 X. MISCELLANEOUS TERMS:

26 1. Construction:

27 Lessee may construct, modify, repair or improve
28 its leased premises at any time during the term of this lease in
29 conformance with established and customary standards of fixed
30 base operations development, zoning ordinances, sign ordinances
31 and building codes of Carson City. Except for minor repairs,
32 Lessee shall obtain the prior consent of the City. Lessee may

1 not utilize the open aircraft tiedown area as denoted B for
2 modular type aircraft covering or housing without prior approval
3 of the City.

4 2. Assignment of Lease:

5 A. Lessee shall have the right to assign this
6 lease, subject to assignee meeting the City's requirements
7 concerning financial responsibility and the City's granting
8 advance written approval. Any assignment of this lease will
9 require that the assignee be subject to all conditions, items and
10 provisions of this lease.

11 B. Lessee shall have the right to assign or sell
12 this lease, for the purpose of securing additional financing,
13 upon the prior approval of the City.

14 C. For the purposes of this section, Lessee
15 shall give written notice to City of any proposed assignment. In
16 the event the City enters no objection within thirty (30) days
17 from receipt of notice by the Lessee, approval shall be deemed to
18 have been granted.

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

22 3. Utilities:

23 Unless otherwise expressly stated herein, Lessee
24 agrees to pay for all utilities used on the leased premises. The
25 Lessee shall extend the appropriate public utilities for
26 permanent service with construction schedule
27 (Section IV).

28 4. Inspection by City:

29 Lessee agrees to permit City to enter upon and
30 inspect all leased premises at all reasonable times.
31
32

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

5. Rights of Quiet Enjoyment:

Lessee is granted the right to ingress, egress and free access to the premises and to peaceful possession and quiet enjoyment.

6. City Not to Interfere with Business:

A. City agrees not to make any fundamental changes in its master plan that would adversely affect the Lessee's business.

B. City will not give terms better than those specified herein to any other operator or tenant.

C. City further agrees that it will continue to operate the airport as a public airport, consistent with governmental regulations, throughout the term of this lease.

D. If City requires removal or relocation of any area of land, building or other facility leased herein during the lease period, the City agrees to pay all costs to relocate Lessee's facilities to a place on the airport of comparable convenience and accessibility and to further replace any improvements on the leased property constructed by Lessee.

7. Maintenance of Premises:

Lessee agrees to maintain the interior and exterior of all buildings constructed upon the leased premises in a clean, sanitary and attractive condition. Maintenance of all existing aircraft tiedown mechanisms and pavement marking within Parcel W2-B will be the responsibility of the lessee.

8. Snow, Ice and Weed Removal:

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

1 B. The Lessee agrees to remove snow, ice and
2 weeds from the areas leased and herein described. The City may,
3 at the request of Lessee, assist Lessee in snow, ice and weed
4 removal. In the event of City assistance, Lessee agrees to hold
5 City harmless from all liability for damage caused by such
6 assistance on leased property.

7 9. Rules of Construction:

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

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

13 XI. SUBCONTRACTING RIGHTS:

14 The Lessee shall have the right to subcontract portions
15 of activities under the terms of the lease, provided such
16 agreements meet the requirements of this lease and have advance
17 approval in writing by City. Lessee shall notify the City in
18 writing of any proposed subcontract or such subcontract shall be
19 null and void. The City shall not unreasonably withhold its
20 approval.

21 XII. TAXES:

22 Lessee agrees to pay all taxes legally imposed or
23 assessed upon its property located at the Carson Airport.

24 VIII. GENERAL:

25 1. It is understood and agreed that each and all the
26 terms of this lease are subject to the regulations and provisions
27 of law applicable to the operation of Carson Airport as a Federal
28 Aid Airport Project. If any provision of this lease is invalid,
29 the other provisions of the lease which are valid shall remain in
30 effect, and the lease will be re-negotiated to comply with the
31 requirements of the applicable laws and regulations.
32

1 2. The Lessee agrees to observe and obey during the
2 term of this lease all laws, rules and regulations promulgated
3 and enforced by the State of Nevada, Carson City, and by any
4 other proper authority having jurisdiction over the conduct of
5 operations at the Carson Airport.

6 3. Carson City shall have complete dominion over the
7 premises described in Paragraph II herein during the term of this
8 lease for the purpose of and to the extent necessary to maintain
9 law, order and safety and has the authority and the right to deny
10 access to the Carson Airport by any person who fails to conform.

11 XIV. NOTICES:

12 It is agreed that any notice to be given or served upon
13 the Lessee shall be sufficient if sent by registered mail,
14 postage prepaid addressed to MOBIL ENTERPRISES, INC. Carson
15 City, Nevada, and any notice to be given or served upon the City
16 shall be sufficient if sent by registered mail, postage prepaid,
17 addressed to the City Manager, Carson City, 813 North Carson
18 Street, Carson City, Nevada.

19 XV. SUCCESSORS AND ASSIGNS:

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

27 XXXXXXXXXXXX

28 XXXXXXXXXXXX

29 XXXXXXXXXXXX

30 XXXXXXXXXXXX

31 XXXXXXXXXXXX

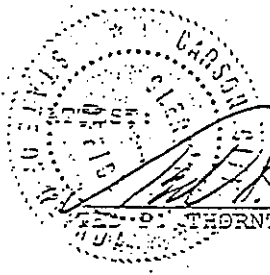
32 XXXXXXXXXXXX

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

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

CARSON CITY

By: *Harold Jacobsen*
HAROLD JACOBSEN, Mayor
"Lessor"



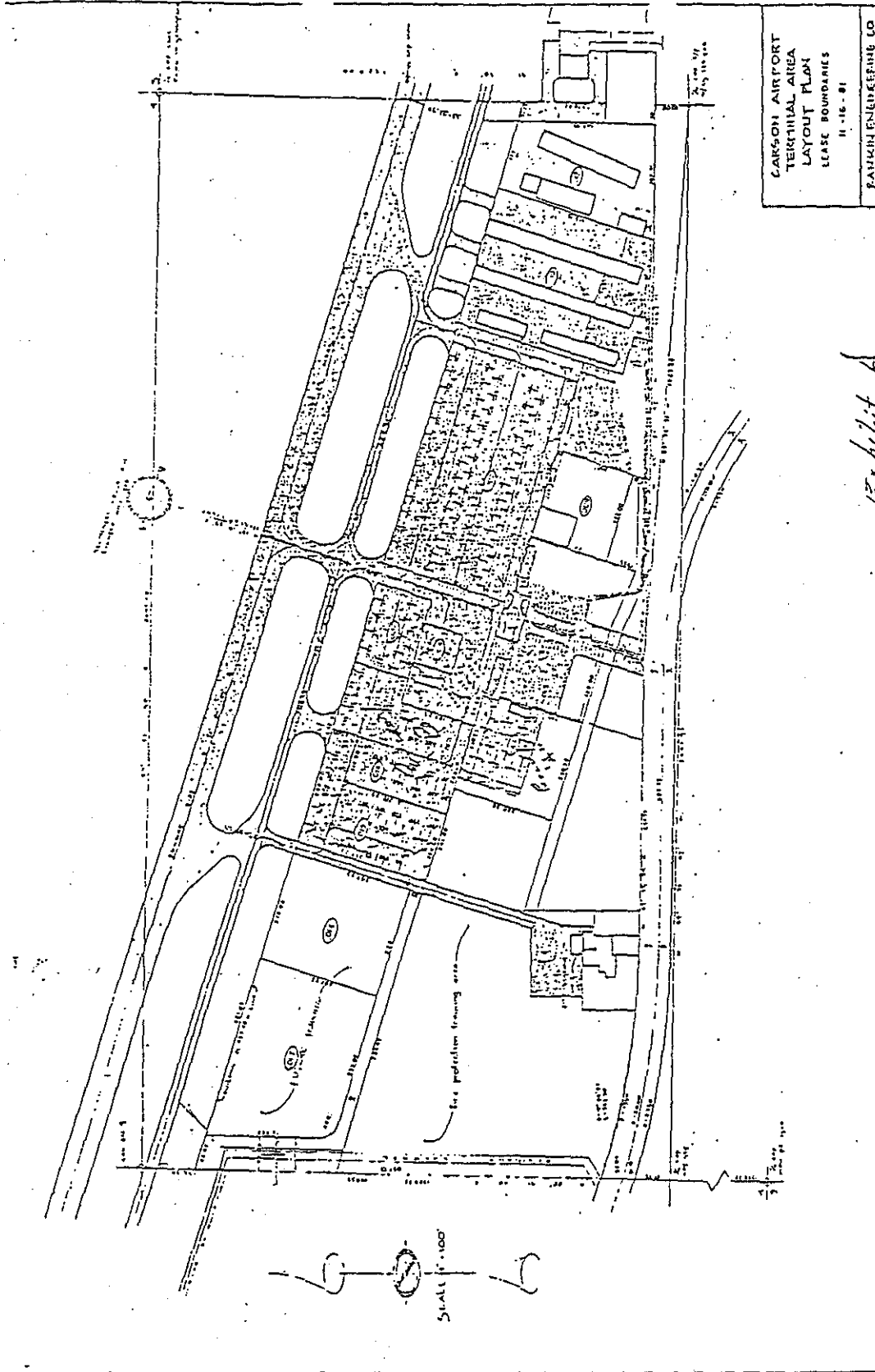
Ted Thornton
TED THORNTON, Clerk

APPROVED AS TO FORM:

By: *William G. Maddox*
WILLIAM MADDOX
CARSON CITY DISTRICT ATTORNEY

William A. Drake
WILLIAM A. DRAKE
MOBIL ENTERPRISES, INC.
"Lessee"

FILED FOR RECORD
AT THE REQUEST OF
TED THORNTON
CARSON CITY CLERK
1981 DEC 23 PM 4:22
FILE NO. 8597
PETY SUPERA
CARSON CITY RECORDER
Pety Supera
NIC



CARSON AIR FORT
 TERMINAL AREA
 LAYOUT PLAN
 LEASE BOUNDARIES
 11-16-81
 PATRICK ENGINEERING CO

EXHIBIT A

SCALE 1" = 1000'

SECOND ADDENDUM TO AIRPORT LEASE
EL AERO SERVICES

1
2 THIS SECOND ADDENDUM TO AIRPORT LEASE is made and entered into
3 this 7th day of December, 1989, by and between CARSON CITY, a
4 consolidated municipality of the State of Nevada, hereinafter LESSOR, and EL
5 AERO SERVICES, INC., hereinafter LESSEE.

6 W I T N E S S E T H

7 WHEREAS, CARSON CITY and MOBIL ENTERPRISES, INC. have entered
8 into a certain lease dated December 17, 1981 and recorded in Book 313 at
9 pages 172-186 of the official records of Carson City regarding two parcels
10 of Airport property; and

11 WHEREAS, MOBIL assigned its rights and delegated its duties to
12 IF TECHNOLOGIES (CUBIX CORP); and

13 WHEREAS, on March 5, 1987, CARSON CITY as LESSOR approved of this
14 assignment; and

15 WHEREAS, on April 2, 1987, CARSON CITY and IF entered into an
16 addendum to said airport lease; and

17 WHEREAS, on April 28, 1988, CARSON CITY as LESSOR approved the
18 assignment of the above-described lease by CUBIX CORP. to EL AERO SERVICES,
19 INC.; and

20 WHEREAS, the CITY and EL AERO now desire to alter the boundaries
21 of Airport lots .015 and .014 to rearrange the common taxiways at the
22 airport.

23 NOW, THEREFORE, the parties hereto agree as follows:

24 1. That provision II. (PROPERTY LEASED) of the master lease
25 dated December 17, 1981 is partially amended to provide for a new legal
26 description of (PARCEL B - .014) as follows:

27 ///

PARCEL B - .014 WEST SIDE APEN (OPEN AIRCRAFT STORAGE)

A certain parcel of land situate in the N1/2 of the SE1/4 of Section 4, T.15N., R.20E., N.D.B.M., Carson City, Nevada, and more particularly described as follows, to-wit:

Centering at the South 1/16 corner corner to Section 3 and 4; Thence on a Nevada State Plane Coordinate System bearing of N71°05'32"W - 2036.03 feet to a point on the centerline of a 30 foot wide service road; Thence S72°41'25"E - 15.00 feet to a point on the east side of the 30 foot service road; Thence S72°41'25"E - 174.00 feet to the POINT OF BEGINNING; Thence N17°18'35"E - 272.23 feet; Thence S72°41'25"E - 114.00 feet; Thence N17°18'35"E - 65.00 feet; Thence S72°41'25"E - 178.33 feet; Thence S17°18'35"W - 150.00 feet to the northwest corner of Parcel 2 as described on pages 3 and 4 of the lease agreement between Carson City and Carson Tahoe Aviation, Inc. (Hangar Seven) and recorded in Book 389 on pages 555 and 556 of the Official Records of Carson City, Nevada; Thence S17°18'35"W - 115.00 feet to the southwest corner of the Parcel 2 described above; Thence continuing S17°18'35"W - 72.23 feet; Thence N72°41'25"W - 292.33 feet to the POINT OF BEGINNING.

The parcel herein described has an area of 91,172 square feet, plus or minus and has existing aircraft tie-down spaces.

2. That all other provisions of the master lease, including the remainder of provision II., and of the first addendum not in conflict with this agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this second addendum to airport lease on the day and year first above-written.

CARSON CITY

By: Marv Teixeira
MARV TEIXEIRA, Mayor

ATTEST:

Alan Glover
ALAN GLOVER, Clerk/Recorder

EL AERO SERVICES, INC.

By: Lathy Locky

RECORDED
CARSON CITY CLERK OF
THE BOARD

89 DEC 11 11:01

000 93911

BY *H. L. ...* DEPUTY

N/C

000 93911

(6)

FIFTH ADDENDUM TO AIRPORT LEASE
EL AERO SERVICES

1
2 THIS FIFTH ADDENDUM TO AIRPORT LEASE is made and entered into this
3 7th day of December, 1989, by and between CARSON CITY, a
4 consolidated municipality of the State of Nevada, hereinafter LESSOR, and EL
5 AERO SERVICES, INC., hereinafter LESSEE.

6 W I T N E S S E T H:

7 WHEREAS, CARSON CITY and EARL HISER, d/b/a PORTA HANGER entered
8 into a certain lease of airport property dated December 4, 1981 and recorded
9 at Book 312 pages 372-388 of the Official records of Carson City; and

10 WHEREAS, LESSOR and LESSEE entered into four previous addenda to
11 the master lease; and

12 WHEREAS, LESSOR granted its approval to have the master lease
13 assigned to C.SIX CORP. and thereafter to EL AERO SERVICES, INC.; and

14 WHEREAS, the CITY and EL AERO now desire to alter the boundaries
15 of Airport lots .015 and .014 to rearrange the common taxiways at the
16 airport.

17 NOW, THEREFORE, the parties hereto agree as follows:

18 1. That provision 1. (PROPERTY LEASED), incorporated Exhibit B,
19 of the master lease dated December 4, 1981 is partially amended as follows:

20 Parcel .015 West Side Apron (Ramp-open aircraft storage).

21 A certain parcel of land situate in the N1/2 of the SE1/4 of
22 Section 4, T.15N., R.20E., M.D.B.&M., Carson City, Nevada, and more
23 particularly described as follows, to-wit:

24 Commencing at the South 1/16 corner common to Section 3
25 and 4; Thence on a Nevada State Plane Coordinate System
26 bearing of N71°05'32"W - 2036.03 feet to a point on the
27 centerline of a 30 foot wide service road; Thence
28 S72°41'25"E - 15.00 feet to a point on the east line of
the 30 foot service road; Thence S72°41'25"E - 60.00
feet to the POINT OF BEGINNING; Thence N17°18'35"E -
272.23 feet; Thence N72°41'25"W - 60.00 feet to another

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

point on the east line of the afore-mentioned 30 foot wide service road; thence N17°18'35"E - 65.00 feet, Thence leaving the east line of said service road S72°41'25"E - 288.00 feet; Thence S 17°18'35"W - 65.00 feet; Thence N72°41'25"W - 114.00 feet; Thence S17°18'35"W - 272.23 feet; N72°41'25"W - 114.00 feet to the POINT OF BEGINNING.

The parcel herein described has an area of 49,754 square feet, plus or minus and the westerly 144 feet of the northerly 25 feet is restricted to the use of helicopter parking only.

2. That all other provisions of the master lease, including the remainder of provision 1., and of all prior addenda not in conflict with this agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this fifth addendum to airport lease on the day and year first above-written.

CARSON CITY

By: *Mary Teixeira*
MARY TEIXEIRA, Mayor

ATTEST:

Alan Glover
ALAN GLOVER, Clerk/Recorder

EL AERO SERVICES, INC.

By: *[Signature]*

FILED FOR RECORD
CARSON CITY CLERK/TO
THE BOARD

89 DEC 11 00:01

000 93912

FILED BY ALAN GLOVER
CARSON CITY CLERK/RECORDER
BY *[Signature]* DEPUTY

N/C

000 93912

1 SIXTH ADDENDUM TO LEASE

2
3 THIS ADDENDUM TO LEASE, made and entered into this 10th day of
4 June, 1994, by and between CARSON CITY AIRPORT AUTHORITY, successor
5 to CARSON CITY, a consolidated municipality of the State of Nevada, hereinafter
6 referred to as LESSOR, and EL AERO SERVICES, INC., a Nevada Corporation,
7 hereinafter referred to as LESSEE.

8 WITNESSETH:

9 WHEREAS, LESSOR and LESSEE have entered into a certain lease December 17,
10 1981, (Mobill lease) with 5 Addendums, regarding a certain portion of the Carson City
11 Airport; and

12 WHEREAS, said lease contains a CPI adjustment clause, with rent now due for
13 adjustment; and

14 WHEREAS, the parties desire to resolve ambiguities regarding the CPI adjustments
15 clause provision of the Agreement.

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

18 1. That the CPI adjustment to rent effective January 1, 1994 shall be 24% of
19 the base rent rate. (ie \$.03/sqft/yr raised to \$.0372/sqft/yr)

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

22 B. An adjustment of the rental and fees above described shall
23 occur on two year anniversary intervals from January 1, 1994,
24 during the term of this Lease. Such adjustment of rental shall be
25 based upon the percentage change reflected by the Consumer Price
26 Index (hereinafter called the Price Index) for the preceding two year
27 period. The Price Index shall mean the average for "all items"
28 shown on the "U.S. City Average for All Urban Consumers" as

1 promulgated by Bureau of Legal Statistics of the U.S. Department
2 of Labor, as amended or replaced by the agency. LESSOR shall
3 measure each two year adjustment using the most recently available
4 report, recognizing that it may be necessary to use a 2 year period
5 with a final quarter ending prior to each January 1 adjustment date.
6 In no event, however, shall any decrease in the Consumer Price
7 Index result in a decrease of the rental below the base rate. For
8 example, if the CPI for December 1993 is 145.8 (1982-1984=100)
9 and for December 1991 is 137.9, then the rent would be adjusted by
10 the difference (145.8-137.9) divided by 137.9 which equals a 5.7%
11 increase.

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

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

17 CARSON CITY AIRPORT AUTHORITY,
18 LESSOR

19 By 

20 STEVEN E. TACKES, Chairman

21 ATTEST:

22 
23 NEIL WEAVER, Treasurer

24
25 EL AERO, LESSEE

26
27 By 

ADDENDUM TO LEASE-(tie downs)

THIS ADDENDUM TO LEASE, made and entered into this 9th day of July, 1998, 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 EL AERO SERVICES, INC., a Nevada Corporation, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE have entered into a certain lease dated December 17, 1981 (Mobill lease) regarding a certain portion of the Carson City Airport, with six subsequent Addendums; and

WHEREAS, LESSOR and LESSEE have agreed to new terms and rate for the tiedown area of said lease.

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

1. That the tiedown area rate effective July 1, 1998 shall be \$7.14 per month per tiedown, and that the CPI increase provisions of said lease and addendums shall apply to the tiedown rate.

2. That the term of the tiedown area shall be the same as the term of the other area leased under the lease. Accordingly, section III(2) of the Agreement is hereby amended to read as follows:

"2. For the area referred to as Parcel B, shall be leased for a term of thirty (30) years coincident with the term on Parcel A."

3. That, in the event of a change in the tiedown rate caps set forth in Carson CityMunicipal Code Section 19.02.020, chapter III, section 6, or any replacement thereto which limits the tiedown rates, then the parties shall negotiate a new tiedown area lease rate under this Lease. In the event that the parties are unable to reach agreement within 90 days of said change to the caps, then the parties shall jointly choose an independent arbitrator to

1 resolve the dispute, and shall be bound to the decision of the arbitrator. In the event that the
2 parties cannot agree on the choice of an arbitrator within 120 days of the change to the caps,
3 then the matter shall immediately proceed to arbitration under the procedures of the
4 American Arbitration Association.

5 4. That all other provisions of the Agreement and previous Addendums shall
6 remain in effect and are not altered by this Addendum.

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

9
10 CARSON CITY AIRPORT AUTHORITY,
11 LESSOR

12 By 
13 _____
14 RON KITCHEN, Chairman


15 ATTEST:

16 
17 _____
18 BRAD GRABER, Treasurer

19 EL AERO, LESSEE

20 
21 _____
22 KATHY GILBERT

23
24 FILED FOR RECORD
25 AT THE REQUEST OF
26 CROWELL, SUSICH, OWEN & TACKES, LTD.
27 '98 JUL 10 P4:23

28 FILE NO. 220-119
ALAN GLOVER
CARSON CITY RECORDER
FREE DEP. 

No. A.P.IV.

EIGHTH ADDENDUM TO LEASE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

THIS ADDENDUM TO LEASE, made and entered into this 1st day of January, 2003, 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 EL AERO SERVICES, INC., a Nevada Corporation, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE are parties to a certain lease dated December 17, 1981 (Mobill lease) regarding a certain portion of the Carson City Airport, with seven subsequent Addendums; and

WHEREAS, the parties desire to modify the payment terms of the lease and to extend the lease by 20 years.

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

1. That the Lease Payment terms, as previously set forth in Section VIII are amended and replaced as follows:

VIII. LEASE PAYMENTS

1. LESSEE shall pay to LESSOR seven and one half cents (\$0.075) per square foot per annum of the land area leased (64,600 sq ft) on Parcel A, payable monthly, on or before the 10th day of each following month. If LESSEE provides fuel sales under subparagraph 2 below, then the rate per square foot shall be reset to three and one half cents (\$0.035) per square foot per annum as modified by the CPI Adjustment measured from January 1, 2003. LESSEE shall pay to LESSOR \$7.14 per month for each improved tie-down located on Parcel B, payable monthly, on or before the 10th day of each following month.

297338

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

2. Fuel Sales: If a fuel facility is located on this leasehold, LESSEE shall pay to LESSOR five cents (\$0.05) per gallon of fuel sold from LESSEE's fuel facility on this leasehold. This fuel flowage fee shall not apply to fuel sold to agencies of the United States Government, the State of Nevada, and to aircraft operated by LESSEE.

3. CPI ADJUSTMENT. An adjustment of the rental and fees above described in subparagraph 1 shall occur on two year anniversary intervals from January 1, 2003, 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 2004 is 186.9 (1982-1984=100) and for December 2002 is 180.9, then the rent would be adjusted by the difference (186.9-180.9) divided by 180.9 which equals a 3.3% increase.

2. That the term of the lease shall be extended for a period of 20 years, thus the termination date of the lease is hereby extended from December 17, 2011 to December 17, 2031, upon the parcels contained within said lease.

3. That all other provisions of the Lease agreement, as modified by the previous Addendums, and not altered by this Addendum, shall remain in effect.

297338

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

CARSON CITY AIRPORT AUTHORITY,
LESSOR

EL AERO, LESSEE

By Harlow Norvell
HARLOW NORVELL, Chairman

Kathy Gilbert
KATHY GILBERT

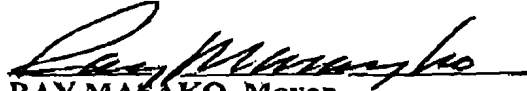
ATTEST:
Gene R. Sheldon
GENE SHELDON, Treasurer

297338

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CARSON CITY

Approved by the Board of Supervisors this 1st day of May, 2003.


RAY MASAKO, Mayor

ATTEST



ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY
LEGAL COUNSEL
Approved as to form.


STEVEN E. TACKES, ESQ.

FILED FOR RECORD
AT THE REQUEST OF
CARSON CITY CLERK TO
THE BOARD
3 MAY -2 P2:32

FILE NO. : 297338
ALAN GLOVER
CARSON CITY RECORDER
FEES: MIC DEP. 100

: 297338

APN u/a
APN _____
APN _____

RECORDED BY THE
REQUEST OF
CARSON CITY CLERK TO
THE BOARD
2011 SEP -2 AM 11:36
FILE NO. 404187
ALAN CLOVER
CARSON CITY RECORDER
OFFICE N/C DEP. KA

FOR RECORDER'S USE ONLY

Ninth Addendum to Lease - El Aero "Mobil"
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
201 N. Carson St., Ste 1.
Carson City, NV 89701

404187

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NINTH ADDENDUM TO LEASE

(El Aero "Mobill" lease)

THIS ADDENDUM TO LEASE, made and entered into this 15th day of April, 2010, 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 EL AERO SERVICES, INC., a Nevada Corporation, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE are parties to a certain lease dated December 17, 1981 (Mobill lease) regarding a certain portion of the Carson City Airport, with subsequent Addendums, the last of which was numbered 8th; and

WHEREAS, the parties desire to modify the area of the lease in conjunction with the FAA Airport Improvement Project (AIP) runway realignment such that a portion of LESSEE's rented area is relocated such that LESSEE retains an equivalent area after movement of the runway and clear of the taxiway, and to correct the language of the tie-down portion to clarify that the lease of tie-downs does not include pavement which is subject to FAA AIP project improvements; and

WHEREAS, the parties are also exchanging an area south of the existing parcel on which the building stands for an expansion of the leasehold to the east to accommodate planned construction of a new EAA building.

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

- 1. That the area where the tie-downs are located, as previously set forth in Section II B (aka .014) of the original lease, as amended in Section 1 of the 2nd Addendum, and shown on the Airport Lease Parcel Map as Parcel 22 is amended and replaced as depicted in Exhibit A hereto as New Lease Parcel 22, along with the legal description attached

hereto as Exhibit B.

1
2 **2. That the LESSEE shall pay \$164.22 per month, calculated as \$7.14 per month**
3 **per tie down, for the aircraft parking tie-downs identified as tie-downs nos. 1-23 located**
4 **on the Airport Tie-down area described as Parcel 22. [Note: 5 tie downs were added to**
5 **this lease which were removed from El Aero- PortaHangar lease] LESSEE is renting the**
6 **tie-downs only. LESSEE shall maintain the tie-down mechanisms (ropes and chains)**
7 **installed by LESSOR. LESSOR continues to maintain control, possession and ownership**
8 **of the taxi-lanes and pavement area on which said tie-downs are located, including but**
9 **not limited to, pavement marking, ultimate movement control and other rights of**
10 **ownership. Rent to LESSOR shall be payable monthly with payments due on the first**
11 **day of each month. Tie-down rental rate shall be increased by the CPI increase in**
12 **paragraph 3 below.**

13
14 **Subject to legal requirements and rates established consistent with legal**
15 **requirements, in the event that a change of use is approved for the area containing the**
16 **tie-downs, LESSEE shall have the right to lease the area in Parcel 22 (subject to**
17 **applicable legal requirements on leasing) in lieu of its limited right to tie-downs.**

18
19 **3. That the area where the buildings and associated ramp are located, as previously**
20 **set forth in Section II A (aka .006) of the original lease, and shown on the Airport Lease**
21 **Parcel Map as Parcel 27 is amended and replaced as depicted in Exhibit A hereto as New**
22 **Lease Parcel 27, along with the legal description attached hereto as Exhibit C.**

23
24 **4. CPI ADJUSTMENT. An adjustment of the rental and fees above described in**
25 **this Lease shall occur on two year anniversary intervals from January 1, 2010, during the**
26 **term of this Lease. Such adjustment of rental shall be based upon the percentage change**
27 **reflected by the Consumer Price Index (hereinafter called the Price Index) for the**
28

1 preceding two year period. The Price Index shall mean the average for "all items' shown
2 on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal
3 Statistics of the U.S. Department of Labor, as amended or replaced by the agency.
4 LESSOR shall measure each two year adjustment using the most recently available report,
5 recognizing that it may be necessary to use a 2 year period with a final quarter ending
6 prior to each December 31 adjustment date. In no event, however, shall any decrease in
7 the Consumer Price Index result in a decrease of the rental below the base rate. For
8 example, if the CPI for December 2011 is 186.9 (1982-1984=100) and for December 2009 is
9 180.9, then the rent would be adjusted by the difference (186.9-180.9) divided by 180.9
10 which equals a 3.3% increase.

11 3. That all other provisions of the Lease agreement, as modified by the previous
12 Addendums, and not altered by this Addendum, shall remain in effect.

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

15 CARSON CITY AIRPORT AUTHORITY,

EL AERO, LESSEE

16 LESSOR

17 By 
18 HARLOW NORVELL, Chairman


19 GINNA REYES

20 ATTEST:


21 ALEX CARTER, Treasurer
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CARSON CITY

Approved by the Board of Supervisors this 5th day of August 2010.


ROBERT L. CROWELL, Mayor

ATTEST:


ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY
LEGAL COUNSEL
Approved as to form.


STEVEN E. TACKES, ESQ.

April 27, 2010
JC

EXHIBIT A/6
NEW LEASE PARCEL 22
CARSON CITY AIRPORT
LEGAL DESCRIPTION

A of portion of El Aero Services, Inc. lease parcel B as recorded in the Second Addendum to Airport Lease el Aero Services, File No. 000 93911 of the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North 71°05'32" West 2036.03 feet; thence South 72°41'25" East, 189.00 feet to the southwest corner of said lease parcel B; thence along the westerly line of said lease parcel, North 17°18'35" East, 30.00 feet to the TRUE POINT OF BEGINNING of this description;

thence continuing along the westerly line of said lease parcel the following three courses;

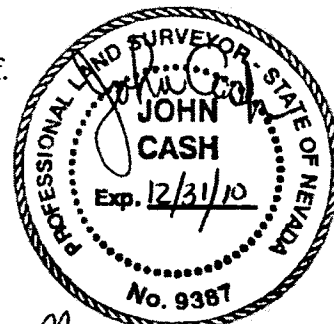
- 1) North 17°18'35" East, 242.23 feet;
- 2) South 72°41'25" East, 114.00 feet;
- 3) North 17°18'35" East, 42.37 feet leaving said westerly line;

thence South 76°00'00" East, 178.63 feet to a point on the easterly line of said lease parcel; thence along said easterly line, South 17°18'35" West, 83.36 feet; thence leaving said easterly line, South 72°41'25" East, 39.05 feet; thence South 16°47'12" West, 15.35 feet; thence South 63°13'11" West, 16.64 feet; thence South 17°23'46" West, 156.33 feet; thence North 72°41'25" West 27.00 feet to a point said easterly lease line; thence along said easterly line, South 17°18'35" West, 28.28 feet; thence leaving said easterly line, North 72°41'25" West, 292.33 feet to the point of beginning.

Containing 84,511 square feet or 1.94 acres, more or less.

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

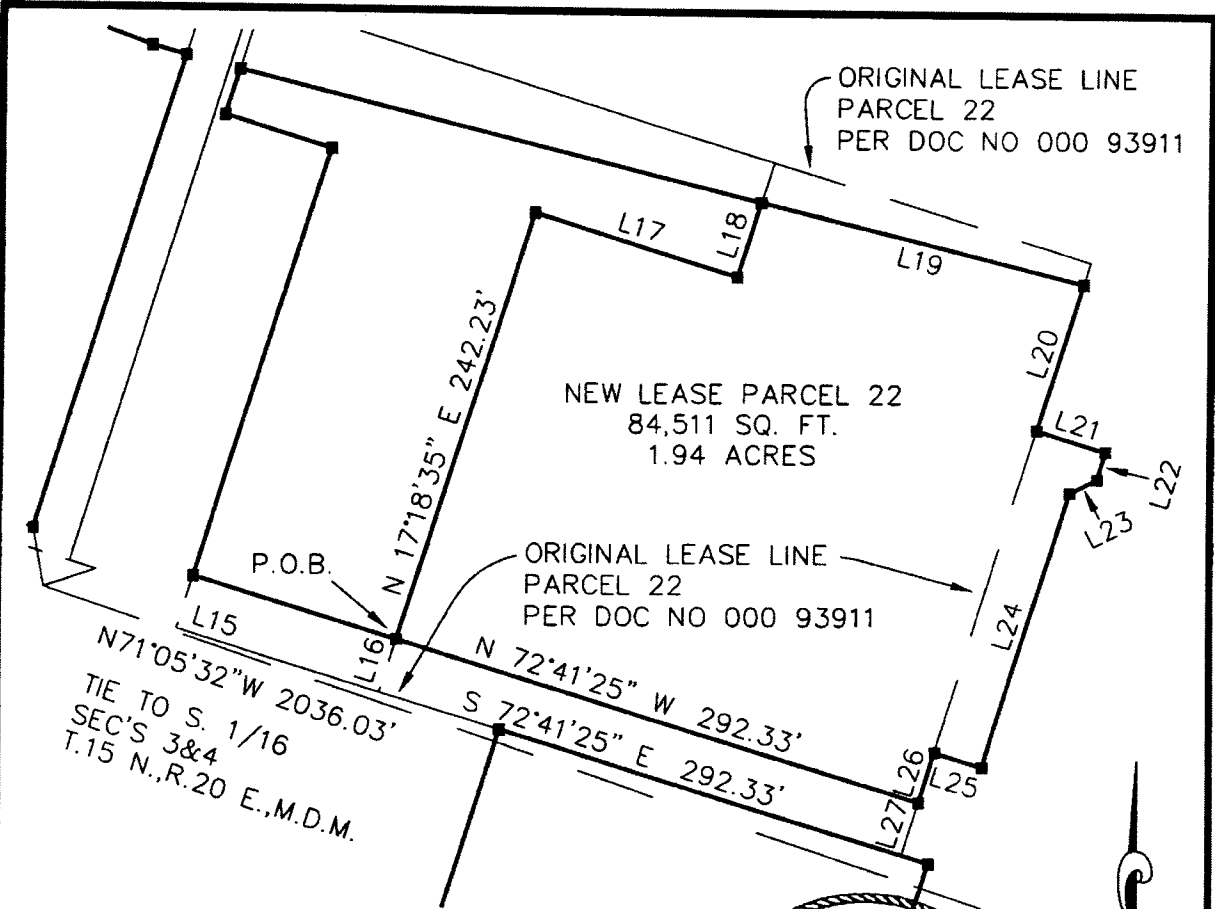
As shown on Exhibit A, attached hereto and made a part hereof.



May 21, 2010

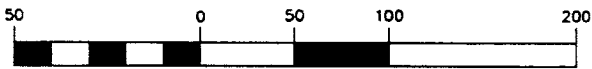
555 Double Eagle Court, Suite 2000 Reno, Nevada 89521 Telephone: 775/828-1622 Fax: 775/828-1826

404187

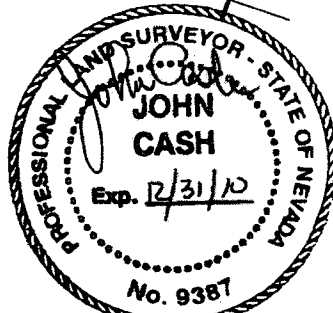


| LINE TABLE | | |
|------------|--------|-------------|
| LINE | LENGTH | BEARING |
| L15 | 189.00 | S72°41'25"E |
| L16 | 30.00 | N17°18'35"E |
| L17 | 114.00 | S72°41'25"E |
| L18 | 42.37 | N17°18'35"E |
| L19 | 178.63 | S76°00'00"E |
| L20 | 83.36 | S17°18'35"W |
| L21 | 39.05 | S72°41'25"E |
| L22 | 15.35 | S16°47'12"W |
| L23 | 16.64 | S63°13'11"W |
| L24 | 156.33 | S17°23'46"W |
| L25 | 27.00 | N72°41'25"W |
| L26 | 28.28 | S17°18'35"W |
| L27 | 30.00 | S17°18'35"W |

GRAPHIC SCALE



(IN FEET)
1 inch = 100 ft.



May 21, 2010
EXHIBIT TO ACCOMPANY
LEGAL DESCRIPTION

| | |
|---------------------|-----------|
| EL AERO | |
| NEW LEASE PARCEL 22 | |
| EXHIBIT A | |
| SHEET: | 1 OF 1 |
| SCALE: | 1" = 100' |
| APPROVED: | MEB |
| DATE: | 05/21/10 |

PBSJ
555 Double Eagle Court
Suite 2000
Reno, Nevada 89521
Telephone: 775/828-1622
Fax: 775/828-1826
ENGINEERING · PLANNING · SURVEYING · CONSTRUCTION SERVICES

April 27, 2010
JC

EXHIBIT C
NEW LEASE PARCEL 27
CARSON CITY AIRPORT
LEGAL DESCRIPTION

A portion of Mobile Enterprises, Inc. lease parcel A, as recorded in the Lease of Carson City Airport Property, File No. 8597 of the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North $71^{\circ}05'32''$ West 2036.03 feet; thence South $72^{\circ}41'25''$ East, 256.00 feet to the TRUE POINT OF BEGINNING of this description;

thence along the northerly and easterly line of said lease parcel A the following three courses

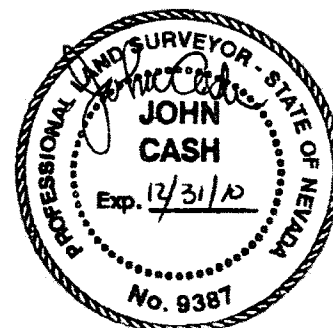
- 1) South $72^{\circ}41'25''$ East, 240.33 feet;
- 2) South $17^{\circ}18'35''$ West, 40.00 feet;
- 3) South $72^{\circ}41'25''$ East, 10.0 feet leaving said easterly line;

thence South $72^{\circ}41'25''$ East, 24.00 feet; thence South $17^{\circ}18'35''$ West, 100.00 feet; thence North $72^{\circ}41'25''$ West, 24.00 feet to a point on the said easterly line; thence along said easterly line, South $17^{\circ}18'35''$ West, 102.00 feet leaving said easterly line; thence North $72^{\circ}41'25''$ West, 133.33 feet; thence South $17^{\circ}18'35''$ West, 18.00 feet to a point on the southerly line of said lease parcel A; thence along said southerly lease line, North $72^{\circ}41'25''$ West, 117.00 feet leaving said southerly line; thence along the westerly line of said lease parcel A, North $17^{\circ}18'35''$ East, 260.00 feet to the point of beginning.

Containing 64,686 square feet or 1.48 acres, more or less.

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

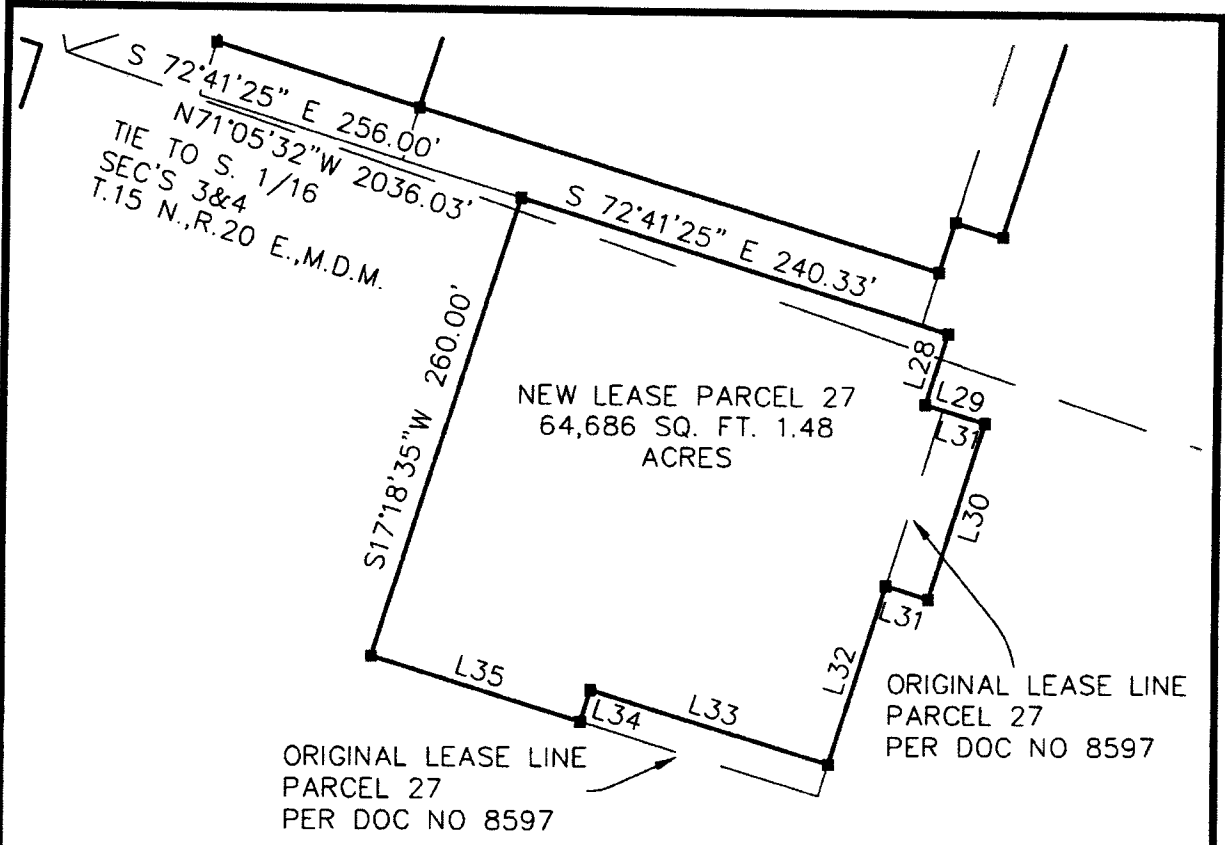
As shown on Exhibit C, attached hereto and made a part hereof.



May 21, 2010

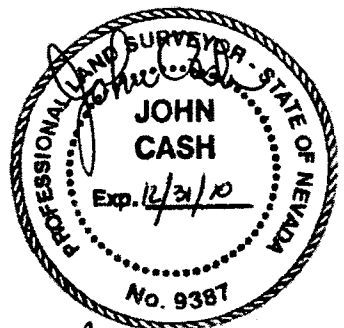
555 Double Eagle Court, Suite 2000 Reno, Nevada 89521 Telephone: 775/828-1622 Fax: 775/828-1826

404187



LINE TABLE

| LINE | LENGTH | BEARING |
|------|--------|-------------|
| L28 | 40.00 | S17°18'35"W |
| L29 | 34.00 | S72°41'25"E |
| L30 | 100.00 | S17°18'35"W |
| L31 | 24.00 | N72°41'25"W |
| L32 | 102.00 | S17°18'35"W |
| L33 | 133.33 | N72°41'25"W |
| L34 | 18.00 | S17°18'35"W |
| L35 | 117.00 | N72°41'25"W |

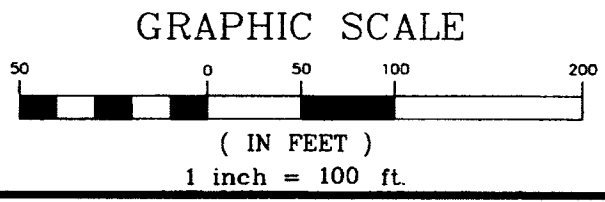


May 21, 2010

EXHIBIT TO ACCOMPANY
LEGAL DESCRIPTION

EL AERO
NEW LEASE PARCEL 27
EXHIBIT C

SHEET: 1 OF 1
SCALE: 1" = 100'
APPROVED: MEB
DATE: 05/21/10



PBSJ
ENGINEERING PLANNING SURVEYING CONSTRUCTION SERVICES

555 Double Eagle Court
Suite 2000
Reno, Nevada 89521
Telephone: 775/828-1622
Fax: 775/828-1826

**City of Carson City
Agenda Report**

Date Submitted: April 19, 2013
(Agenda signing April 23)

Agenda Date Requested: May 2, 2013
Time Requested: consent

To: Board of Supervisors
From: Carson City Airport Authority

Subject Title: Action to approve the Tenth Addendum for the lease between El Aero Services and the Carson City Airport Authority clarifying the tie-down portion of the lease originally titled Mobill Enterprises, recorded Dec 23, 1981 Book 313, Page 172.

Staff Summary: At a regular meeting of the Carson City Airport Authority on April 17, 2013, publicly noticed for that purpose, the Authority approved a Tenth Addendum to this lease to clarify the lease areas that are for aircraft tie-down and that the tenant only has the right to use the tiedowns. This is consistent with the historical interpretation and use. The language is clarifying only.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: (I move that we) approve the Tenth Addendum for the lease between El Aero Services and the Carson City Airport Authority clarifying the tie-down portion of the lease originally titled Mobil Services, recorded Dec 23, 1981 Book 313, Page 172

Explanation for Recommended Board Action:

Under Nevada Chapter 844, which created the Carson City Airport Authority, lease agreements at the Airport must be approved by the Carson City Board of Supervisors. The Airport Authority has approved a lease addendum to clarify an existing lease and requests Board of Supervisors approval.

In 1981, Carson City leased a parcel on the Airport to Mobill Enterprises for construction of a Fixed Base Operation (FBO) as well as areas designated for use as aircraft tie-down areas by the FBO. The lease was subsequently assigned to El Aero Services, who operates the FBO currently. In recent years, the FAA has scrutinized leases and in some cases has denied FAA funding for areas where a lease gives a tenant full dominion of a lease area, and correspondingly would ordinarily have the obligation to maintain or replace pavement. While this may be the case for leases at the Carson City Airport where construction occurs, this is not the case for tie-down areas. Instead, the Airport has always treated the tie-down areas as under the dominion and control of the Airport Authority (and the City prior to the Airport Authority's establishment in 1989). The Airport allows the tenant only use of the tie-downs but maintains all rights as to the pavement. As a result, on new leases, the Airport Authority used lease language to clarify this

point. In addition, the Airport Authority has amended older leases with clarifying language to avoid any problems with FAA funding.

The sole purpose of the amendment is to clarify the tie-down area, and that the tenant (El Aero Services) has rights only to the tie-downs themselves, with the Airport Authority retaining dominion and control over the pavement, its maintenance and use. As such, the Addendum makes no changes to the current rent, total leased area or any other significant term of the lease, however all terms are now consistent with current law and sound airport practices.

Applicable Statute, Code, Policy, Rule or Regulation: Statutes of Nevada, Chapter 844.

Fiscal Impact: No City impact.

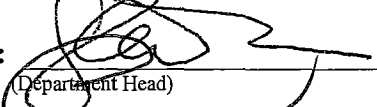
Explanation of Impact: Not Applicable.

Funding Source: Not Applicable.

Alternatives: Not Applicable

Supporting Material: Assignment


Prepared By: Steven E. Tackes, Esq., Airport Counsel

Reviewed By:  _____
(Department Head)

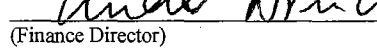
Date: 4-19-2013

 _____
(City Manager)

Date: 4/23/13

 _____
(District Attorney)

Date: 4/23/13

 _____
(Finance Director)

Date: 4/23/13

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

TENTH ADDENDUM TO LEASE

1
2 **THIS ADDENDUM TO LEASE, made and entered into this 1st day of January,**
3 **2013, by and between CARSON CITY AIRPORT AUTHORITY, successor to CARSON**
4 **CITY, a consolidated municipality of the State of Nevada, hereinafter referred to as**
5 **LESSOR, and EL AERO SERVICES, INC., a Nevada Corporation, hereinafter referred**
6 **to as LESSEE.**

7 **WITNESSETH:**

8 **WHEREAS, LESSOR and LESSEE are parties to a certain lease dated December**
9 **17, 1981 (Mobill lease) regarding a certain portion of the Carson City Airport, with nine**
10 **subsequent Addendums; and**

11 **WHEREAS, the parties desire to modify the two lease areas such that the tie-down**
12 **rental area includes an area that has traditionally used for tie-down but was previously**
13 **included in the hangar ramp area of the lease, and to clarify that such is a lease of the tie-**
14 **downs only and not the underlying pavement which is subject to FAA AIP project**
15 **improvements.**

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

18 **1. That the area of the Property leased, as previously set forth in Section II is**
19 **amended and replaced as follows:**

20 **Parcel A, within #27 (formerly .006), FBO and related apron area as set forth in**
21 **attached Exhibit 1 map and Legal Description. 32,507 sq ft. Rent will continue at \$436.85**
22 **per month (\$5,242.20 per year).**

23 **Parcel B, within #27 (formerly .006), lease of 8 tiedowns will continue at \$57.12 per**
24 **month (8 x \$7.14).**

25 **Parcel C, #22 (formerly .014), lease of 23 tiedowns will continue at \$164.22 per**
26 **month (23 x \$7.14).**

27 **Said Parcels A and B are shown in the map and legal descriptions attached hereto**
28 **as Exhibit C.**

1 2. That for the lease of tie-downs set forth above, LESSEE is renting the tie-downs
2 only. LESSEE shall maintain the tie-down mechanisms (ropes and chains) installed by
3 LESSOR. LESSOR continues to maintain control, possession and ownership of the taxi-
4 lanes and pavement area on which said tie-downs are located, including but not limited
5 to, pavement marking, ultimate movement control and other rights of ownership. Rent
6 to LESSOR shall be payable monthly with payments due on the first day of each month.
7

8 3. CPI ADJUSTMENT. An adjustment of the rental and fees above described in
9 subparagraph 1 shall occur on two year anniversary intervals from January 1, 2013,
10 during the term of this Lease. Such adjustment of rental shall be based upon the
11 percentage change reflected by the Consumer Price Index (hereinafter called the Price
12 Index) for the preceding two year period. The Price Index shall mean the average for "all
13 items' shown on the "U.S. City Average for All Urban Consumers" as promulgated by
14 Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the
15 agency. LESSOR shall measure each two year adjustment using the most recently
16 available report, recognizing that it may be necessary to use a 2 year period with a final
17 quarter ending prior to each December 31 adjustment date. In no event, however, shall
18 any decrease in the Consumer Price Index result in a decrease of the rental below the base
19 rate. For example, if the CPI for December 2014 is 186.9 (1982-1984=100) and for
20 December 2012 is 180.9, then the rent would be adjusted by the difference (186.9-180.9)
21 divided by 180.9 which equals a 3.3% increase.
22
23
24
25

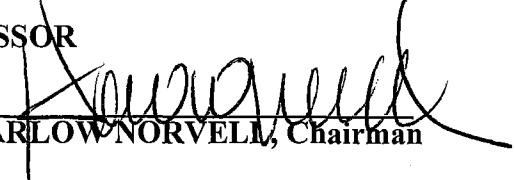
26 4. That all other provisions of the Lease agreement, as modified by the previous
27 Addendums, and not altered by this Addendum, shall remain in effect.
28


1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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


CARSON CITY AIRPORT AUTHORITY,
LESSOR

EL AERO, LESSEE

By 
HARLOW NORVELL, Chairman


GINNA REYES

ATTEST:


TERESA DILORETTO-LONG, Treasurer
GUY WILLIAMS, Vice Chair

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CARSON CITY

Approved by the Board of Supervisors this ____ day of _____, 2013.

ROBERT L. CROWELL, Mayor

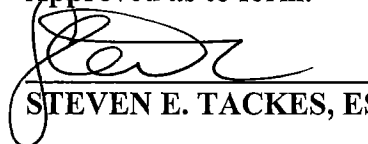
ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

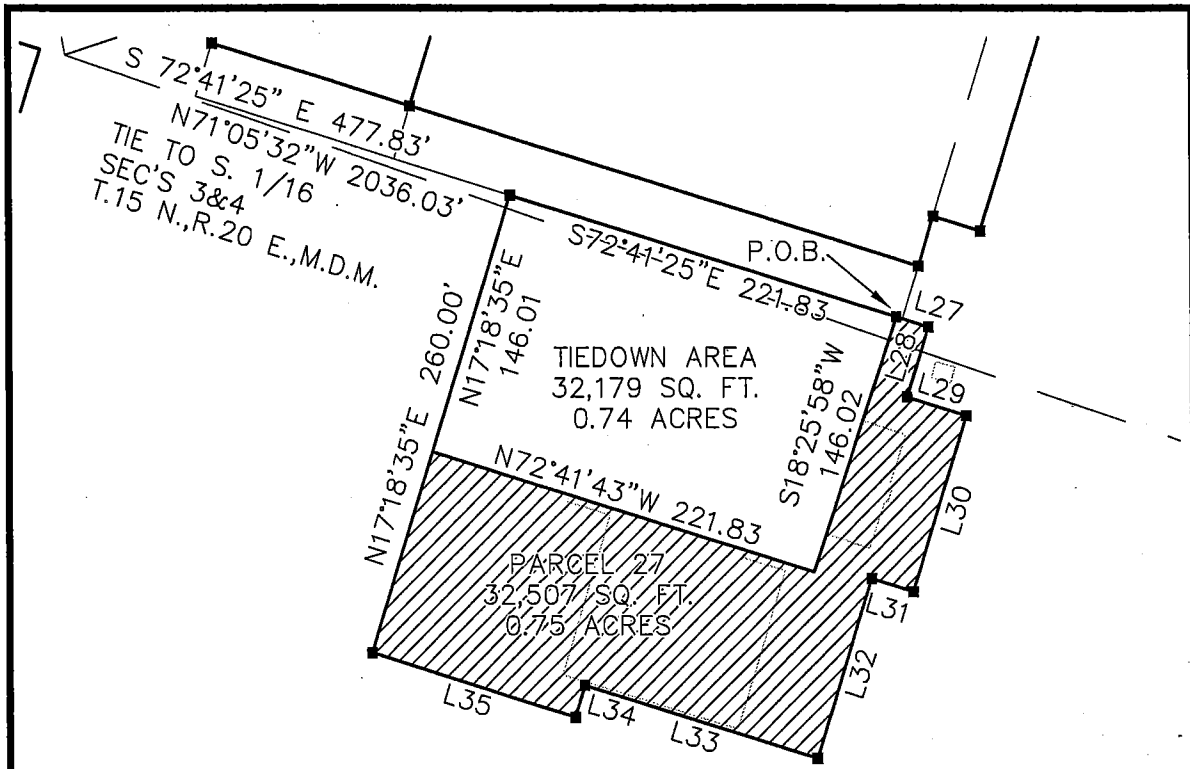
ALAN GLOVER, Clerk/Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY
LEGAL COUNSEL
Approved as to form.



STEVEN E. TACKES, ESQ.



| LINE TABLE | | |
|------------|--------|-------------|
| LINE | LENGTH | BEARING |
| L27 | 18.50 | S72°41'25"E |
| L28 | 40.00 | S17°18'35"W |
| L29 | 34.00 | S72°41'25"E |
| L30 | 100.00 | S17°18'35"W |
| L31 | 24.00 | N72°41'25"W |
| L32 | 102.00 | S17°18'35"W |
| L33 | 133.33 | N72°41'25"W |
| L34 | 18.00 | S17°18'35"W |
| L35 | 117.00 | N72°41'25"W |

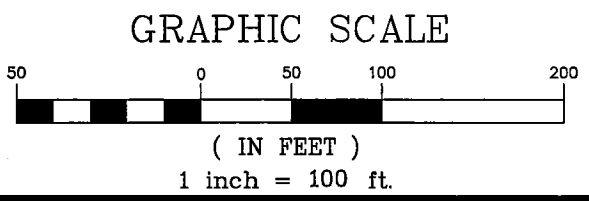


EXHIBIT TO ACCOMPANY
LEGAL DESCRIPTION

EL AERO
NEW LEASE PARCEL 27
EXHIBIT C

SHEET: 1 OF 1
SCALE: 1" = 100'
APPROVED: MEB
DATE: 02/05/13

ATKINS
10509 Professional Circle, Suite 102 | Reno, Nevada 89521-4882
Tel: +1.775.828.1622 | Fax: +1.775.851.1687

January 22, 2013

**EXHIBIT C
LEASE PARCEL 27
CARSON CITY AIRPORT
LEGAL DESCRIPTION**

A portion of Mobile Enterprises, Inc. lease parcel A, as recorded in the Lease of Carson City Airport Property, File No. 8597 of the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North $71^{\circ}05'32''$ West 2036.03 feet; thence, South $72^{\circ}41'25''$ East, 477.83 feet to the TRUE POINT OF BEGINNING of this description; thence, along the lines of said lease parcel A the following ten courses

- 1) South $72^{\circ}41'25''$ East, 18.50 feet;
- 2) South $17^{\circ}18'35''$ West, 40.00 feet;
- 3) South $72^{\circ}41'25''$ East, 34.0 feet;
- 4) South $17^{\circ}18'35''$ West, 100.00 feet;
- 5) North $72^{\circ}41'25''$ West, 24.00;
- 6) South $17^{\circ}18'35''$ West, 102.00 feet;
- 7) North $72^{\circ}41'25''$ West, 133.33 feet;
- 8) South $17^{\circ}18'35''$ West, 18.00 feet;
- 9) North $72^{\circ}41'25''$ West, 117.00 feet;
- 10) North $17^{\circ}18'35''$ East, 113.99 feet;

Thence, leaving said lease line, South $72^{\circ}41'25''$ East, 218.97 feet; thence, North $18^{\circ}25'58''$ East, 146.02 feet, to the point of beginning.

Containing 32,507 square feet or 0.75 acres, more or less.

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

TIE DOWN LEASE AREA

A portion of Mobile Enterprises, Inc. lease parcel A, as recorded in the Lease of Carson City Airport Property, File No. 8597 of the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North $71^{\circ}05'32''$ West 2036.03 feet; thence, South $72^{\circ}41'25''$ East, 477.83 feet to the TRUE POINT OF BEGINNING of this description; thence, South $18^{\circ}25'58''$ West, 146.02; thence, North $72^{\circ}41'25''$ West, 218.97 feet; thence, North $17^{\circ}58'35''$ East, 146.02 feet; thence, South $72^{\circ}41'25''$ East, 221.83 feet to the point of beginning.

Containing 32,179 square feet or 0.74 acres, more or less.

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