

CARSON CITY AIRPORT AUTHORITY MEETING AGENDA

Wednesday, November 20, 2024 – 5:30 P.M.

Public Meeting at:

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

This Agenda Prepared by Corey Jenkins, Airport Manager

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

- F. AIRPORT ENGINEER’S REPORT (*Non-Action Item*).
- G. CONSENT AGENDA
- H. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: Approval of Airport Lease Amendment for the south FBO lease held by Mountain West CXP, LLC, (“MW”), to release approximate 17,000 sq ft for the Airport to use for a taxilane, and to extend the Lease for 8 years in return.

Staff Summary: The proposed action is to approve an Eleventh Amendment to the MW lease to remove a portion of leased area. This will allow for a taxilane so that the CCAA can provide aircraft access from a lot to be developed immediately to the south of the MW leasehold. In exchange for the loss of area, as well as its use and profit, the CCAA will extend the remaining portion of the MW lease for 8 years. The area involved is shown on Exhibit A to the Amendment. A Record of Survey will be obtained and recorded to precisely define the area.

2. 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.

3. FOR DISCUSSION AND POSSIBLE ACTION: Consider bids received in response to the solicitation for a Fixed Base Operator (FBO) to manage Airport-Owned Tie-Downs on the Northwest Ramp.

Staff Summary: The Airport Manager notified all commercial service FBOs about the opportunity to enter into an agreement to manage the Airport-Owned Tie-Downs on the Northwest Ramp. Multiple responses were received from interested parties; however, there is no clear best selection. The Airport Manager has brought this item to the Authority for consideration in selecting the most qualified respondent, or for the possibility of splitting the 25 tie-downs among the interested parties.

4. FOR DISCUSSION AND POSSIBLE ACTION: Approve the FAA Airport Capital Improvement Plan (“ACIP”) 2025 - 2029

Staff Summary: The FAA ACIP must be approved and presented to the Carson City BOS for approval and submitted to the FAA Airport District Office. We are submitting the ACIP earlier than usual based on feedback from the FAA.

5. FOR DISCUSSION AND POSSIBLE ACTION: Approval of the Annual Audit Report of the Carson City Airport Authority for FY 2023/24. (J. Rogers)

Staff Summary: Casey Neilon completed the annual audit required by NRS 345. The review and approval of the audit by the Authority is required under the statute.

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

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

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

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

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

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

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

O. ACTION ON ADJOURNMENT.

Final

* * * * *

DELIVERED (via E-Mail) to the FOLLOWING LOCATIONS for POSTING by 9am, November 15, 2024

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

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

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

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

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

DRAFT MINUTES
Regular Meeting
Carson City Airport Authority (CCAA)
October 16, 2024 ● 5:30 PM
Community Center Robert “Bob” Crowell Board Room
851 East William Street, Carson City, Nevada

Authority Members

Chair – Tim Puliz	Vice Chair – Harlow Norvell
Treasurer – Jon Rogers	Member – Curtis Horton
Member – Michaela Flint	Member – Karl Hutter
Member – Michael Golden	

Staff

Steve Tackes – Airport Counsel
Corey Jenkins – Airport Manager
Briana Munoz – Public Meetings Clerk

NOTE: A recording of these proceedings, the Board’s agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder’s Office, and available for review during regular business hours.

Audio recordings and the meeting minutes of the Carson City Airport Authority meetings are available on <https://www.carson.org/government/city-meetings>.

A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM

(5:30:38) – Chairperson Puliz called the meeting to order at 5:30 p.m.

(5:30:59) – Roll was called, and a quorum was present.

Attendee Name	Status	Arrived
Chairperson Tim Puliz	Present	
Vice Chair Harlow Norvell	Present	
Treasurer Jon Rogers	Present	
Member Michaela Flint	Present	
Member Michael Golden	Present	
Member Curtis Horton	Present	
Member Karl Hutter	Absent	

B. PLEDGE OF ALLEGIANCE

(5:31:19) – Led by Member Flint.

C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY.

(5:31:57) – Chairperson Puliz introduced the item and entertained comments, changes, and/or a motion to approve the minutes of the September 18, 2024 meeting.

(5:32:10) – MOTION: Member Golden moved to approve the minutes of the September 18, 2024 meeting. Vice Chair Norvell seconded the motion. The motion carried 6-0-0.

RESULT:	APPROVED (6-0-0)
MOVER:	Golden
SECONDER:	Norvell
AYES:	Puliz, Norvell, Rogers, Flint, Golden, Horton
NAYS:	None
ABSTENTIONS	None
ABSENT:	Hutter

D. MODIFICATION OF THE AGENDA.

None.

E. PUBLIC COMMENT

(5:32:40) – Chairperson Puliz entertained public comments; however, none were forthcoming.

F. AIRPORT ENGINEER’S REPORT

(5:33:32) – Chairperson Puliz introduced the item. Brian Martinezmoles of Wood Rodgers provided his report, which is incorporated into the record. Mr. Martinezmoles stated that there was not much to report this month but mentioned that he had been working with Mr. Jenkins on construction developments on site.

(5:34:20) – Mr. Jenkins referenced a report from Armstrong Consultants, which is incorporated into the record, and responded to clarifying questions. He reported that they were working through the permit process for the Snow Removal Equipment Building. Mr. Jenkins noted that a new snowplow was set to arrive in October and staff training would be conducted.

G. CONSENT AGENDA

(5:35:59) – Chair Puliz introduced the items, entertained requests to pull items from the Consent Agenda, and entertained a motion.

(5:36:14) – MOTION: Vice Chair Norvell moved to approve the consent agenda as presented. Treasurer Rogers seconded the motion. The motion carried 6-0-0.

RESULT:	APPROVED (6-0-0)
MOVER:	Norvell
SECONDER:	Rogers
AYES:	Puliz, Norvell, Rogers, Flint, Golden, Horton
NAYS:	None
ABSTENTIONS	None
ABSENT:	Hutter

1. **FOR DISCUSSION AND POSSIBLE ACTION: APPROVE LEASE AMENDMENT TO CACTUS AIRFORCE, LLC EXECUTING A LEASE EXTENSION FOR A PERIOD OF AN ADDITIONAL TEN YEARS AND AT CURRENT MARKET RATE.**
2. **FOR DISCUSSION AND POSSIBLE ACTION: RENEWAL OF THE CINDERLITE CONTRACT FOR THREE YEARS.**
3. **FOR DISCUSSION AND POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED GRANT OF UTILITY EASEMENT (“EASEMENT”) FROM CARSON CITY TO SIERRA PACIFIC POWER COMPANY, D/B/A NV ENERGY (“NV ENERGY”) TO BUILD AND MAINTAIN ELECTRIC UTILITY INFRASTRUCTURE ON PORTIONS OF ASSESSOR PARCEL NUMBERS (“APN”) 05-011-09, 005-021-14, 005-021-16, AND 005-021-17 AT THE CARSON CITY AIRPORT (“AIRPORT”).**

H. PUBLIC HEARINGS

1. **FOR DISCUSSION: THANK OPEN HOUSE COMMITTEE FOR THEIR WORK IN PLANNING THE 2023 AND 2024 AVIATION FESTIVAL AND OPEN HOUSE.**

(5:36:38) – Chairperson Puliz introduced the item. Mr. Jenkins referenced the Staff Report, which is incorporated into the record. He recognized the following members: Robert Grant, Trish Jones, Mike Zieba, Katherine Baran, Rick Lee, Dayton Murdock, Kevin Updegrove, Luz Sandoval, Matt Bruback, Phil Wells, Larry Jones, Sydne O’Neal. Chair Puliz expressed appreciation for the volunteers and their efforts.

2. **FOR DISCUSSION AND POSSIBLE ACTION: APPROVE PROPOSED LEASE AMENDMENT (“AMENDMENT”) ENTERED INTO BETWEEN CARSON TAHOE EXECUTIVE, LLC (“CTE”), AS TENANT, AND CARSON CITY AND THE CARSON CITY AIRPORT AUTHORITY (“CCAA”), TOGETHER AS LANDLORD. THE AMENDMENT WILL RECONFIGURE THE LEASED AREA TO ACCOMMODATE A NEW HANGAR DEVELOPMENT PLAN.**

(5:43:04) – Chair Puliz introduced the item. Mr. Jenkins referenced the Staff Report and Supporting Materials, all of which are incorporated into the record.

(5:44:43) – Mr. Tackes explained that a new legal description is set forth in the lease agreement, noting that Carson Tahoe Executive (CTE) would need to secure a record of survey to assign a parcel number. He added that once the parcel number was obtained, the amendment would be sent to the Board of Supervisors for final approval.

(5:45:45) – Chair Puliz added that the reconfiguration of the leased area would not involve adding or subtracting any significant square footage. Treasurer Rogers agreed and asked if there was a minor change in the amount of square footage being leased. Mr. Jenkins clarified that there was technically a small reduction in square footage but it was negligible and likely wouldn't be reflected in the lease. Chair Puliz added that the footprint of the leased area remained the same and that the lease itself was unaffected.

(5:47:04) – MOTION: Member Golden moved to approve the proposed amendment as presented to accommodate the new hangar development plan. Member Horton seconded the motion. The motion carried 6-0-0.

RESULT:	APPROVED (6-0-0)
MOVER:	Norvell
SECONDER:	Rogers
AYES:	Puliz, Norvell, Rogers, Flint, Golden, Horton
NAYS:	None
ABSTENTIONS	None
ABSENT:	Hutter

I. AIRPORT MANAGER’S REPORT

(5:47:40) – Chairperson Puliz introduced the item. Mr. Jenkins referenced the Airport Manager’s Report and provided his report, which is incorporated into the record. Additionally, he referenced the Fuel Flowage and Airport Operations reports, both of which are incorporated into the record.

J. LEGAL COUNSEL’S REPORT

(5:54:01) – Chairperson Puliz introduced the item. Mr. Tackes reported that the Federal Aviation Administration reviewed the purchase process of the new snowplow, adding that no issues were expected for reimbursement.

K. TREASURER’S REPORT

(5:56:21) – Chairperson Puliz introduced the item. Treasurer Rogers referenced the Treasurer’s Report, which is incorporated into the record, noting that the financials aligned with the budget.

L. REPORT FROM AUTHORITY MEMBERS

1. STATUS REVIEW OF PROJECTS

2. INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS

3. CORRESPONDENCE TO THE AUTHORITY

4. STATUS REPORTS AND COMMENTS FROM THE MEMBERS OF THE AUTHORITY

(5:57:07) – Chairperson Puliz entertained Member reports. Chair Puliz welcomed Member Flint to the Board and Member Flint expressed gratitude for the opportunity to serve. Chair Puliz also acknowledged Member Hutter’s reappointment.

M. PUBLIC COMMENT

(5:58:57) – Chairperson Puliz entertained public comments; however, none were forthcoming.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING

(5:58:49) – Chairperson Puliz entertained requests for agenda items for the next CCAA meeting; however, none were forthcoming.

O. ACTION ON ADJOURNMENT

(5:59:10) – MOTION: Chairperson Puliz adjourned the meeting at 5:59 p.m.

The Minutes of the October 16, 2024 Carson City Airport Authority meeting are so approved on this 20th day of November 2024.



Engineer's Report

WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

To: Carson City Airport Authority
From: Brian Martinezmoles **CC:** Mr. Corey Jenkins, Airport Manager
Date: November 15, 2024
Subject: Engineer's Report for Carson City Airport Authority Board Meeting

Please find below a status report of the projects and/or tasks Wood Rodgers is currently engaged in on behalf of the Carson City Airport.

1.0. Airport Capital Improvement Program

Over the past month, the FAA Airport District Office reached out to discuss some updates to the ACIP. Wood Rodgers joined the meeting in support of the Airport Manager. Following that discussion, a revised ACIP was prepared for review.

2.0. RSA Drainage & Improvements Project

Coffman Associates prepared a CatEX for this project which has gone through FAA review. The FAA submitted supporting documentation to SHPO for approval at the end of October. Following approval of the CatEX, the project will be able to receive grant funding and proceed into design.

Airport Improvement Update

CARSON CITY AIRPORT – CARSON CITY, NEVADA

November 2024

ENGINEERING UPDATE

Project Updates:

Acquire Snow Removal Equipment:

- Equipment received and accepted October 28
- Pending grant closeout, FAA will process amendment in spring

Aeronautical Survey for Nighttime Approach/Offset PAPI Construction:

- Flight check dates TBD by FAA
 - Flight Program Ops has confirmed the night time evaluation (needed to reestablish approach) is included in this inspection of the PAPIs
- Reimbursable agreement is in process

Snow Removal Equipment Building:

- Pending Special Use Permit renewal; planning commission meeting 11/19
- Pending building permit approval with City Building Division, approval pending SUP



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: H-01

BOARD MEMO 2024-25

Meeting Date: November 20, 2024

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Approval of Airport Lease Amendment for the south FBO lease held by Mountain West CXP, LLC, (“MW”), to release approximate 17,000 sq ft for the Airport to use for a taxilane, and to extend the Lease for 8 years in return.

Staff Summary: The proposed action is to approve an Eleventh Amendment to the MW lease to remove a portion of leased area. This will allow for a taxilane so that the CCAA can provide aircraft access from a lot to be developed immediately to the south of the MW leasehold. In exchange for the loss of area, as well as its use and profit, the CCAA will extend the remaining portion of the MW lease for 8 years. The area involved is shown on Exhibit A to the Amendment. A Record of Survey will be obtained and recorded to precisely define the area.

Agenda Action: Formal Action/Motion

Time Requested: 0 Minutes

Proposed Motion

I move to approve the Amendment.

CCAA’S Strategic Goal

Allow for development of unused land for aviation purpose and provide safe access for aircraft.

Previous Action and Executive Summary

The original Airport lease was entered into between Carson City and Mobil Enterprises, Inc., dated December 17, 1981, recorded in the Official Records of Carson City as Document No. 8597. There were subsequently 10 amendments to the lease, mostly boundary adjustments, before being assigned to Mountain West

CXP, LLC. [1st Addendum dated April 2, 1987 (renew 5 yr term; assign) ; 2nd Addendum dated December 7, 1989 (boundary adj); 3rd Addendum dated December 7, 1989 (boundary adj); 4th Addendum dated December 7, 1989 (boundary adj); 5th Addendum dated Dec 7, 1989 (boundary adj); 6th Addendum dated June 10, 1994 (updated CPI); 7th Addendum dated July 9, 1998 (change tie down language); 8th Addendum dated January 1, 2003 (extended lease); 9th Addendum dated April 15, 2010 (moved borders for runway project); and 10th Addendum dated Jan 1, 2013 (tie-downs).

The CCAA has been trying to lease the area to the south of the MW leasehold and which borders College Parkway on and off for several years without aircraft access to the runway. To make it marketable for aviation purposes, Staff determined that the parcel would need aircraft access to the taxiways and runway, and thus a taxilane to the existing taxilanes and taxiways. The only feasible solution is over an area leased by MW. To that end, MW has worked with us to find this solution.

The area requested from MW is an area which was leased by MW, a portion for tie-down ramp and a portion for hangar construction. The property area is approximately 17,000 sq ft and is improved with pavement. The following is a calculation of the value of the property being relinquished to the CCAA based on the following assumptions. The average rent that would be paid over the remaining term of the Lease is \$3,721.77 for the subject area. This assumes \$3,400 present value for the area being surrendered back to the airport with 3% annual CPI increases. We used a 6% discount factor and annual as opposed to monthly payments. Monthly payments would get a higher outcome. That said, the portion of the property in question has a value of just over \$33,000 based upon these assumptions. As shown, these estimates indicate that a 7 year extension is at the low end, and fails to consider the lost opportunity if MW were to use the property to generate a business return, which could quickly add justification for several more years. As a result, Staff feels that the 8 year extension of the lease is fair, and somewhat generous on behalf of MW. In that regard, MW has indicated that it is OK accepting this since the change has significant value to the development of the frontage lot and therefore financial benefit to the Airport.

Present Value of Periodical Deposits

Number of Periods (N)

Interest Rate (I/Y)

Periodic Deposit (PMT) /period

PMT made at the beginning end
of each compound period

Results

Present Value: **\$22,022.92**

FV (Future Value)	\$33,114.33
Total Principal	\$26,052.39
Total Interest	\$7,061.94

79%21%PrincipalInterest

Schedule

Period\$0\$5K\$10K\$15K\$20K\$25K\$30K246Accumulated depositsAccumulated interest

	Deposits	Interest	End balance
1	\$3,721.77	\$223.31	\$3,945.08
2	\$7,443.54	\$460.01	\$8,126.86
3	\$11,165.31	\$710.92	\$12,559.54
4	\$14,887.08	\$976.88	\$17,258.19
5	\$18,608.85	\$1,258.80	\$22,238.76
6	\$22,330.62	\$1,557.63	\$27,518.16
7	\$26,052.39	\$1,874.40	\$33,114.33

Thus Staff believes the exchange is equivalent. Note: Once approved, Staff will obtain a Record of Survey to precisely describe the remaining lease area as separated from the taxilane area, but the numbers are not expected to change in any significant way.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: Acct. 5051 Land Leases. Rental income will have a slight reduction initially but once the lot to the south is rented, it will result in a significant increase to rental income.

General Fund/ Federal Share: N/A

Is it currently budgeted?

Alternatives

Do not approve.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

APN 005-011-86

When Recorded, Return to:

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

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

This Eleventh Amendment to lease, made and entered into this ___ day of November, 2024, between the CARSON CITY AIRPORT AUTHORITY (Landlord), whose address is 2600 College Parkway #6 Carson City, Nevada 89706, and MOUNTAIN WEST CXP, LLC, a Nevada Limited Liability Company (Tenant), whose address is 2500 College Parkway, Carson City, Nevada 89706.

WITNESSETH:

WHEREAS, Tenant leases land for a fixed base operation (FBO) from Landlord under an airport lease. The original lease was dated December 17, 1981, and recorded in the Official Records of Carson City, Nevada, as Document No. 8597, alternatively Book 313 pp 173-186. The lease has Ten Amendments approved by Landlord and/or its predecessor, Carson City. The last amendment is dated January 1, 2013 and recorded as Document No. 0434474. (collectively, the “Lease”).

WHEREAS, Landlord has requested that the Tenant release back to Landlord approximately 17,000 sq. ft. from the leasehold to allow for an aircraft taxilane needed for development of a parcel which would otherwise not have aircraft access.

WHEREAS, the Lease is scheduled to expire on December 17, 2031.

WHEREAS, the parties have agreed, in lieu of payment to Tenant for the removed area, and the loss of use and profit of the removed area, to extend the Lease by 8 years.

THEREFORE, Landlord and Tenant agree as follows:

1. The area shown on Exhibit A as taxilane is removed from the lease, such area to be more precisely identified with a Record of Survey to be recorded at the expense of the Landlord.
2. The Lease is extended for 8 years with a new expiration date of December 31, 2039.

3. The rent paid by Tenant shall be reduced to the area remaining, and using the current rental rate per sq ft. The CPI clause shall continue to apply.
4. All other terms and conditions of the Lease are unchanged.

TENANT
MOUNTAIN WEST CXP, LLC.

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY

Michael Golden, Manager

Tim Puliz, Chairman

ATTEST:

Jon Rogers, Treasurer

STATE OF NEVADA)
 : ss
CARSON CITY)

On this ____ day of October, 2024, before me, the undersigned, a Notary Public, personally appeared Michael Golden, Manager of MOUNTAIN WEST CXP, LLC, known (or proved) to me to be the person described herein, who executed the foregoing instrument, and 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

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

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

WILLIAM SCOTT HOEN, Clerk/Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form

STEVEN E. TACKES, ESQ.

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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:

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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.
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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.

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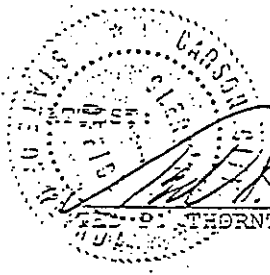
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EXECUTED at Carson City, Nevada, as of the day and year in
this agreement first above written.

CARSON CITY

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



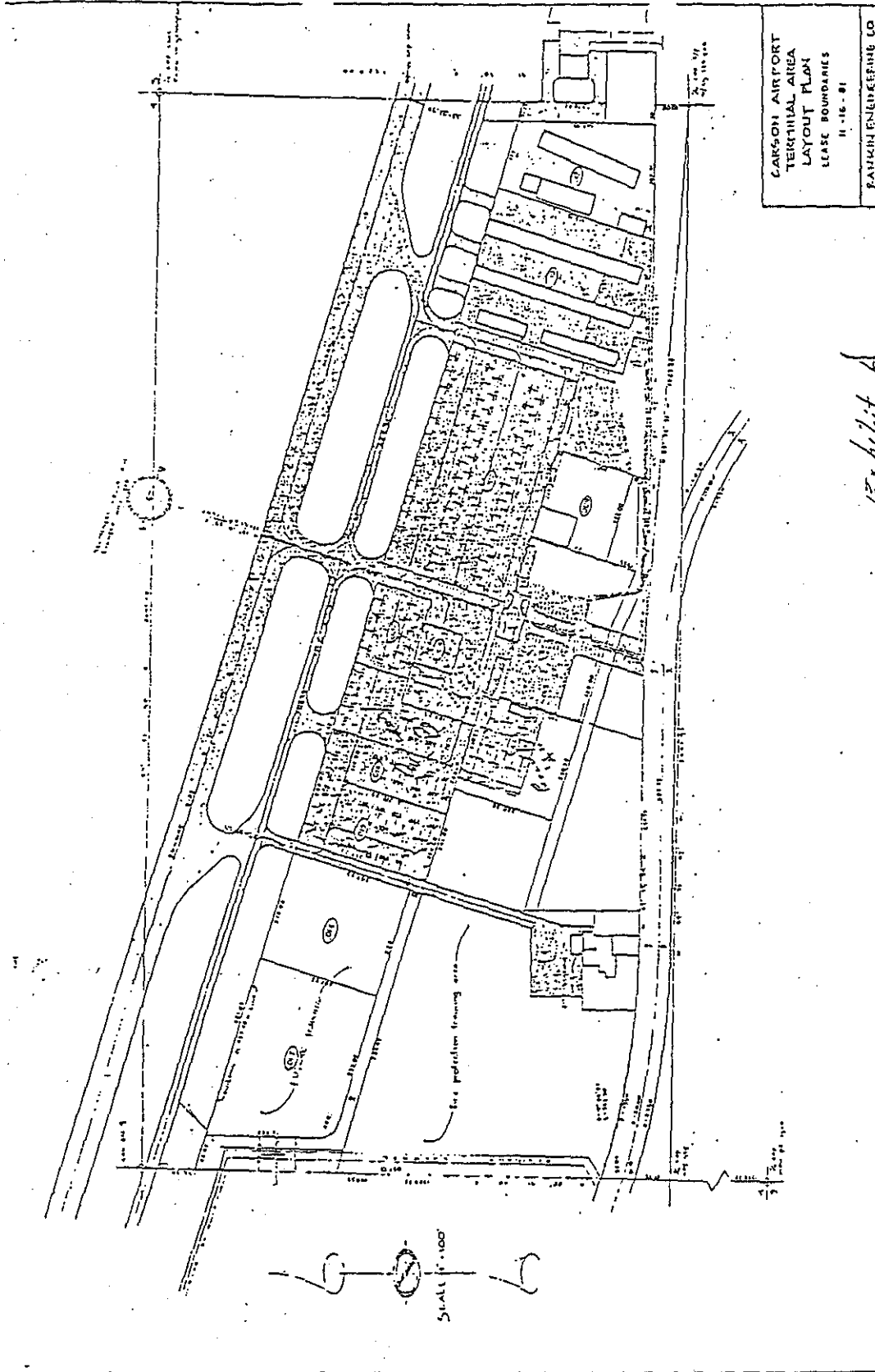
Ted Thornton
TED THORNTON, Clerk

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
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CARSON CITY RECORDER
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CARSON AIR FORCE
 TERMINAL AREA
 LAYOUT PLAN
 LEASE BOUNDARIES
 11-16-81
 PATRICK ENGINEERING CO

EXHIBIT A

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

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BY *H. L. ...* DEPUTY

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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

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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: Man Teixeira
MAN TEIXEIRA, Mayor

ATTEST:

Alan Glover
ALAN GLOVER, Clerk/Recorder

EL AERO SERVICES, INC.

By: [Signature]

FILED FOR RECORD
CARSON CITY CLERK/TO
THE BOARD

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BY [Signature] DEPUTY

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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

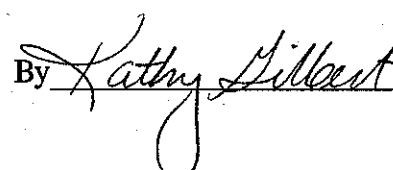
19 By 

20 STEVEN E. TACKES, Chairman

21 ATTEST:

22 
23 NEIL WEAVER, Treasurer
24

25 EL AERO, LESSEE

26
27 By 
28

ADDENDUM TO LEASE-(tie downs)

1
2
3 THIS ADDENDUM TO LEASE, made and entered into this 9th day of July,
4 1998, by and between CARSON CITY AIRPORT AUTHORITY, successor to CARSON
5 CITY, a consolidated municipality of the State of Nevada, hereinafter referred to as
6 LESSOR, and EL AERO SERVICES, INC., a Nevada Corporation, hereinafter referred to
7 as LESSEE.

WITNESSETH:

8
9 WHEREAS, LESSOR and LESSEE have entered into a certain lease dated December
10 17, 1981 (Mobill lease) regarding a certain portion of the Carson City Airport, with six
11 subsequent Addendums; and

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

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

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

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

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

24 3. That, in the event of a change in the tiedown rate caps set forth in Carson
25 CityMunicipal Code Section 19.02.020, chapter III, section 6, or any replacement thereto
26 which limits the tiedown rates, then the parties shall negotiate a new tiedown area lease rate
27 under this Lease. In the event that the parties are unable to reach agreement within 90 days
28 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 RON KITCHEN, Chairman


14 ATTEST:

15 
16 BRAD GRABER, Treasurer

17
18 EL AERO, LESSEE

19
20 
21 KATHY GILBERT

22
23
24
25 FILED FOR RECORD
26 AT THE REQUEST OF
27 CROWELL, SUSICH, OWEN & TACKES, LTD.
28 '98 JUL 10 P4:23

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

No. A.P.IV.

EIGHTH ADDENDUM TO LEASE

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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

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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

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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

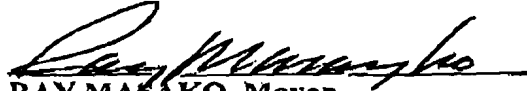
ATTEST:
Gene R. Sheldon
GENE SHELDON, Treasurer

297338

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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 KC

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

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

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

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

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
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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;

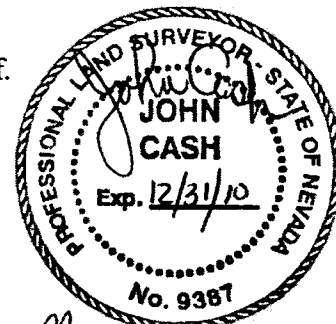
- 1) North 17°18'35" East, 242.23 feet;
- 2) South 72°41'25" East, 114.00 feet;
- 3) North 17°18'35" East, 42.37 feet leaving said westerly line;

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.

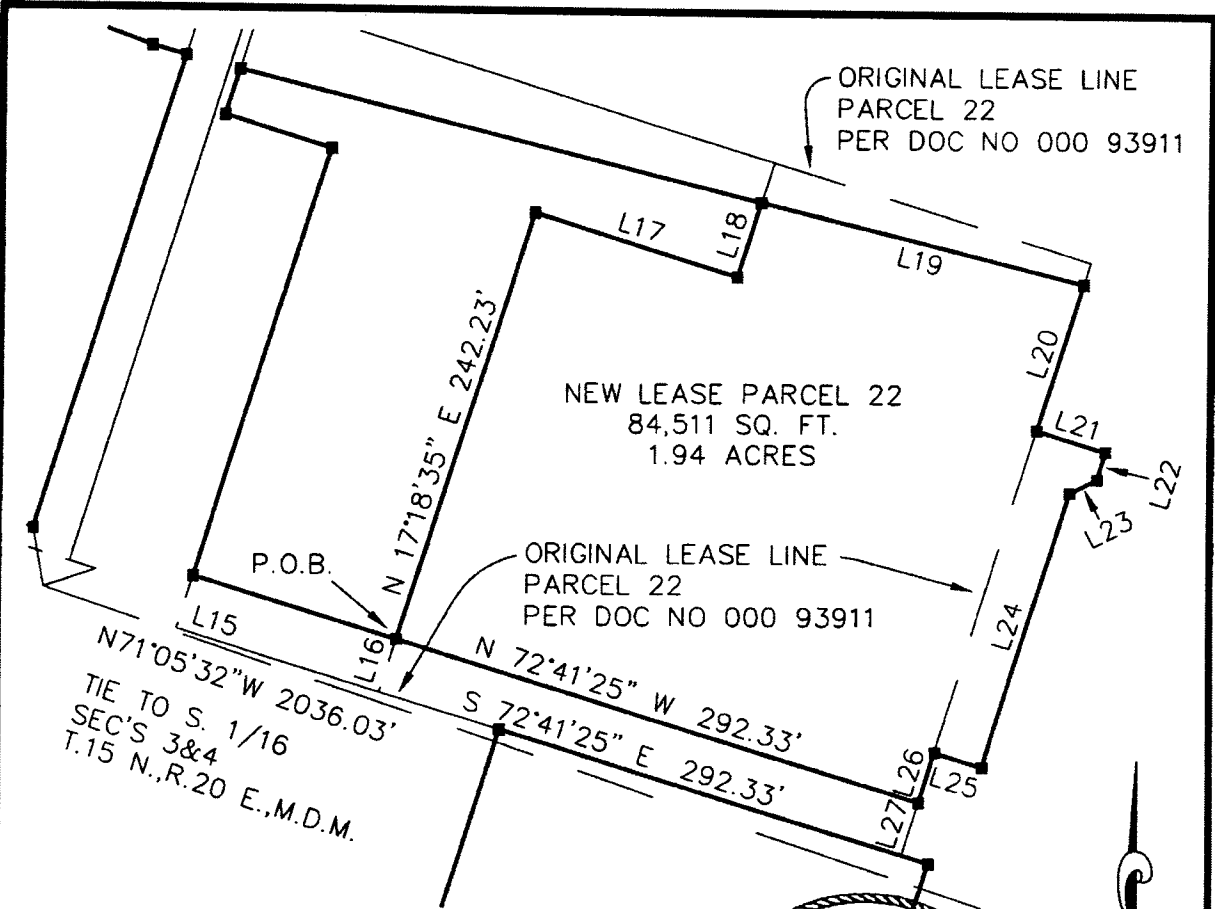
As shown on Exhibit A, attached hereto and made a part hereof.



May 21, 2010

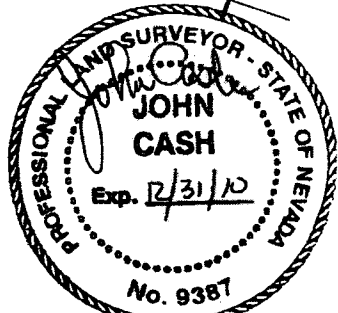
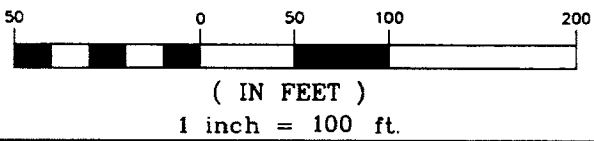
555 Double Eagle Court, Suite 2000 Reno, Nevada 89521 Telephone: 775/828-1622 Fax: 775/828-1826

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



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

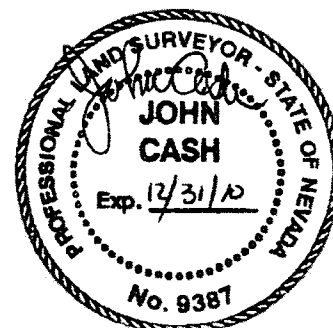
- 1) South $72^{\circ}41'25''$ East, 240.33 feet;
- 2) South $17^{\circ}18'35''$ West, 40.00 feet;
- 3) South $72^{\circ}41'25''$ East, 10.0 feet leaving said easterly line;

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.

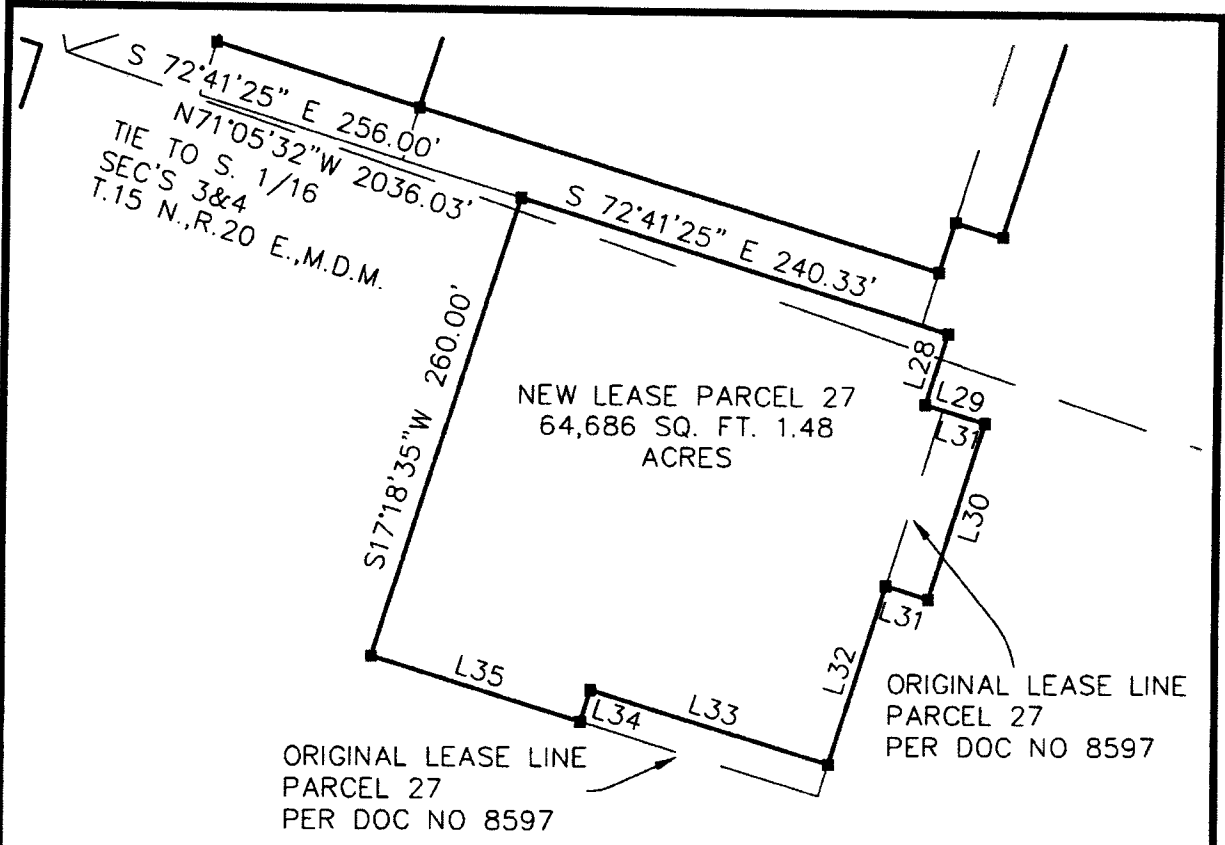
As shown on Exhibit C, attached hereto and made a part hereof.



May 21, 2010

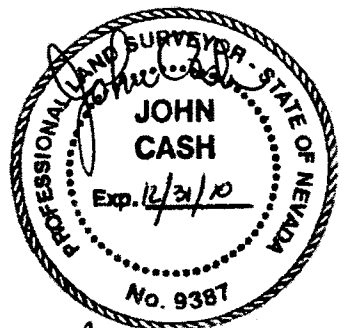
555 Double Eagle Court, Suite 2000 Reno, Nevada 89521 Telephone: 775/828-1622 Fax: 775/828-1826

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

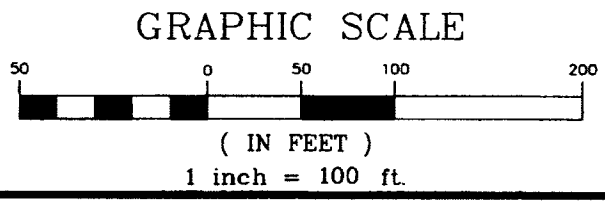


May 21, 2010

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.

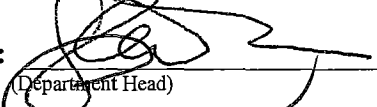
Explanation of Impact: Not Applicable.

Funding Source: Not Applicable.

Alternatives: Not Applicable

Supporting Material: Assignment


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

Reviewed By:  _____
(Department Head)

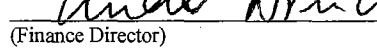
Date: 4-19-2013

 _____
(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.
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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

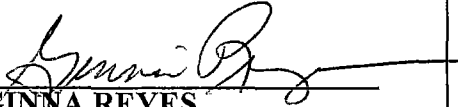
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IN WITNESS WHEREOF, the parties hereto have executed this Addendum to
Lease.


CARSON CITY AIRPORT AUTHORITY,
LESSOR

EL AERO, LESSEE

By 
HARLOW NORVELL, Chairman


GINNA REYES

ATTEST:


~~TERESA DILORETTO-LONG, Treasurer~~
GUY WILLIAMS, Vice Chair

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CARSON CITY

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

ROBERT L. CROWELL, Mayor

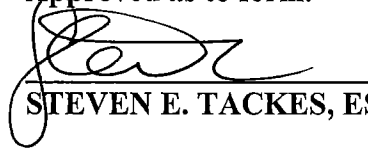
ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

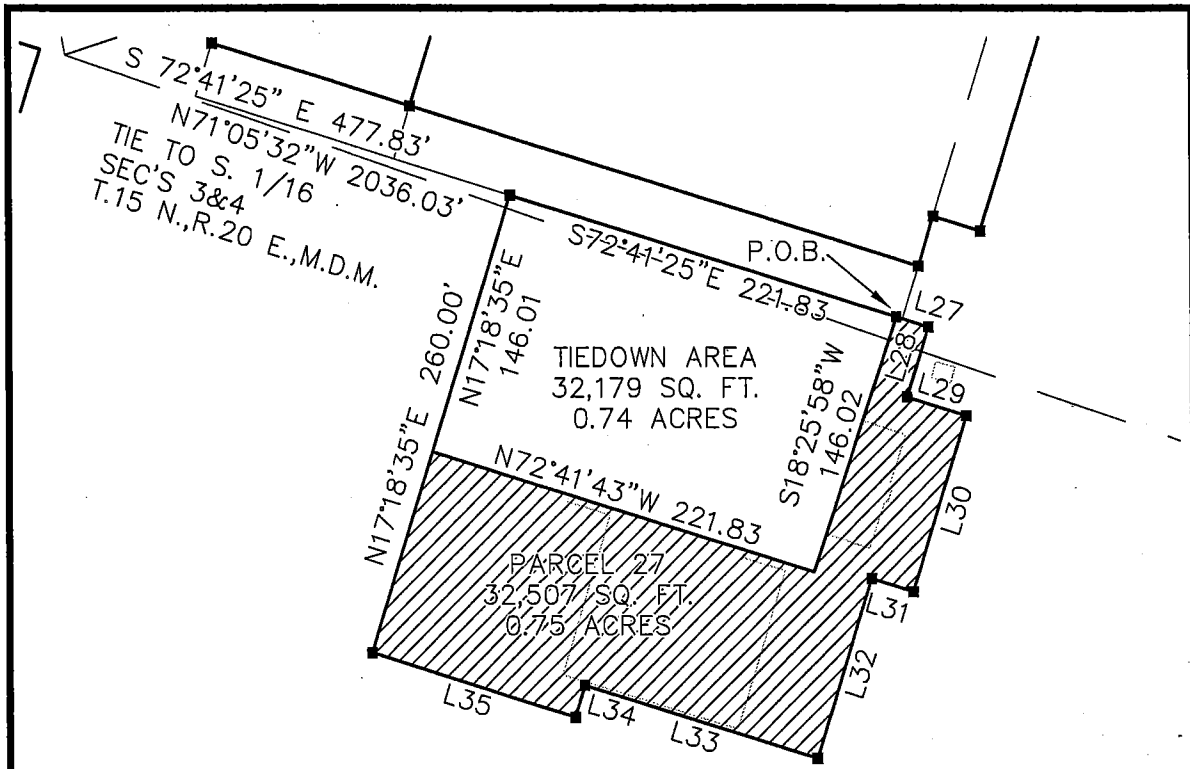
ALAN GLOVER, Clerk/Recorder

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

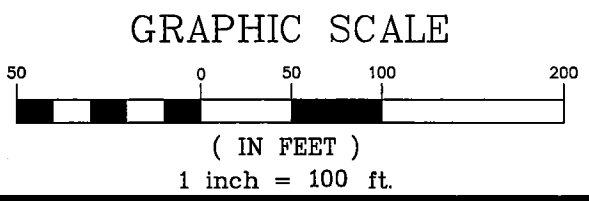


EXHIBIT TO ACCOMPANY
LEGAL DESCRIPTION

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.



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.



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: H-03

BOARD MEMO 2024-27

Meeting Date: November 20, 2024

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Consider bids received in response to the solicitation for a Fixed Base Operator (FBO) to manage Airport-Owned Tie-Downs on the Northwest Ramp.

Staff Summary: The Airport Manager notified all commercial service FBOs about the opportunity to enter into an agreement to manage the Airport-Owned Tie-Downs on the Northwest Ramp. Multiple responses were received from interested parties; however, there is no clear best selection. The Airport Manager has brought this item to the Authority for consideration in selecting the most qualified respondent, or for the possibility of splitting the 25 tie-downs among the interested parties.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move that we award the license agreement to _____ at the rate of \$ _____ under the terms proposed by the Authority and authorize the Chair to execute the agreement.

CCAA'S Strategic Goal

Support economic activity in the region.

Previous Action and Executive Summary

September 18, 2024 (Item H-1) – The CCAA approved the license agreement and the solicitation of an FBO to manage Airport-Owned Tie-Downs on the Northwest Ramp.

The airport does not currently operate a Fixed Base Operator (FBO) and lacks the staffing capacity to manage the tie-down spaces on the northwest ramp. In addition, it is in the best interest of the community for the airport to avoid competing with the existing commercial FBOs on the field. Instead, the airport should focus on fostering opportunities for small businesses.

Soliciting a commercial service FBO to manage the tie-downs on the northwest ramp presents an opportunity to increase revenue, enhance customer service, and contribute to the local economy.

The rate specified in the license agreement was determined based on the current rate for tie-down rentals to commercial service FBOs on the northwest ramp.

Financial Information

Is there a fiscal impact?

No Yes

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

General Fund: Monthly increase of \$11.37 per tie-down for a total of \$284.25 per month or more depending on the CCAA selection.

Is it currently budgeted?

No

This will likely increase Tie-Down revenues due to an increase in collections.

Alternatives

Do not make a single selection, but split up the tie-downs to rent to multiple parties
Do not select and give alternative direction to Airport Staff.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

TIE-DOWN LICENSE AGREEMENT

This Tie-Down License Agreement ("Agreement") is made and entered into this ___ day of _____, 2024, by and between the **Carson City Airport Authority**, the governing authority over the Carson City Airport ("Licensor"), with an address of 2600 College Parkway #6, Carson City, Nevada 89706 (email: airportmanager@flycarsoncity.com) and _____ ("Licensee"), with an address of _____ (email: _____).

WITNESSETH:

WHEREAS, Licensor is entity authorized by NRS 844 to govern the Carson City Airport, along with the right to contract with any person to provide services as necessary or desirable to the Airport. (NRS 844, Sec 9).

WHEREAS, Licensor is the entity entitled to collect fees for certain improved aircraft tie-downs located on Parcel Number 005-01-193 at the Carson City Airport; and

WHEREAS, Licensee desires to license twenty-five (25) of said improved tie-downs from Licensor for the purpose of securing aircraft, of its own or others.

THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. LICENSE OF TIE-DOWNS.

Licensor hereby license to Licensee, and Licensee hereby licenses from Licensor, twenty-five (25) improved aircraft tie-downs located on Parcel Number 00501193 at Carson City Airport.

2. TERM.

The term of this Agreement shall commence on _____, 2024, and shall continue for a period of five (5) years, with a renewal of five (5) years, unless terminated earlier in accordance with the provisions of this Agreement.

3. FEE.

Licensee shall pay to Licensor an initial license fee of **Eleven Dollars and Thirty-Seven Cents (\$11.37)** per tie-down, per month, for a total monthly license fee of **Two Hundred Eighty-Four Dollars and Twenty-Five Cents (\$284.25)** for the twenty-five (25) tie-downs.

4. PAYMENT TERMS.

Rent payments shall be due and payable on the first day of each month, commencing on _____, 2024. All payments shall be made payable to the Carson City Airport Authority and delivered to the address specified by Licensor. The failure to pay the fee, or the violation of any law, regulation or ordinance, shall constitute a default by Licensee. Assignee shall have ten (10) days from the date of written notice from Licensor to cure the default, failing which the Agreement shall be terminated.

5. CONSUMER PRICE INDEX ADJUSTMENT.

The adjustment of the license described above shall occur first on January 1, 2026, then at two-year anniversary intervals from January 1, 2026, during the term of this Lease. Such adjustment of license 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. Licensor 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 license below the base rate set forth in Section 3 of this license agreement. For example, if the Price Index for December 2026 is 155.0, and for December 2024 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.

6. USE OF TIE-DOWNS.

Licensee shall use the tie-downs exclusively for the purpose of securing aircraft, and may rent or license others to tie-down. Licensee shall not use the tie-downs for any unlawful purpose or in any manner that would violate any applicable laws, regulations, or ordinances. Approval of this lease constitutes approval of FBO services for storage of aircraft. (Class 1 FBO; no Class 2 fees)

7. MAINTENANCE AND REPAIRS.

Licensee shall, at its own expense, maintain the existing tie-down mechanisms and pavement marking in good condition and repair, reasonable wear and tear excepted. The Licensor shall be responsible for any structural repairs or improvements to the tie-downs.

8. SNOW, ICE AND WEED REMOVAL.

The Licensee agrees to remove snow, Ice and weeds from the areas leased and herein described. The Licensor, may at the request of Licensee, assist Licensee in Snow, ice and weed I removal. In the event of Licensor assistance, Licensee agrees to hold Licensor harmless from all liability for damage caused by such assistance on leased property.

9. INDEMNITY AND INSURANCE.

Licensee agrees to indemnify and hold harmless Licensor from all claims, liabilities, or damages arising out of or related to Licensee's use of the tie-downs. Licensee shall, at its own expense, maintain liability insurance in an amount sufficient to cover any such claims or damages. Licensee shall name Licensor as an additional insured and shall provide evidence of the same to Licensor.

10. TERMINATION.

Either party may terminate this Agreement upon thirty (30) days' written notice to the other party. In the event of termination by Licensor, Licensee shall be entitled to a prorated refund of any prepaid rent.

11. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, and negotiations, whether written or oral.

12. AMENDMENTS.

Any amendments or modifications to this Agreement must be in writing and signed by both parties. Licensee may not assign this Agreement without prior approval of Licensor.

13. INDEMNIFICATION.

To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, Licensor and Licensee 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.

14. REPORTING.

Anything that affects the safe and efficient operation of the Airport shall be immediately reported to the Airport Manager.

15. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the Federal Government, State of Nevada, City of Carson City, and Rules and Regulations of the Carson City Airport Authority. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Licensor and the United States, relative to the development, operation, or maintenance of the Airport.

16. PROPER AUTHORITY.

Licensor and Licensee represent and warrant that the person executing this lease on behalf of each party has full power and authority to enter into this lease.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LICENSEE

By _____
Name

LICENSOR

CARSON CITY AIRPORT AUTHORITY

By _____
Tim Puliz, CHAIRMAN

ATTEST:

Jon Rogers, TREASURER

STATE OF NEVADA)
 : ss
COUNTY OF _____)

On this ___ day of _____, 2024, before me, the undersigned, a Notary Public, personally appeared ___(NAME OF LICENSEE)___, 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)



CCAA BOARD MEMO

Agenda Item: H-4

BOARD MEMO 2024-28

Meeting Date: November 20, 2024

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Approve the FAA Airport Capital Improvement Plan (“ACIP”) 2025 - 2029

Staff Summary: The FAA ACIP must be approved and presented to the Carson City BOS for approval and submitted to the FAA Airport District Office. We are submitting the ACIP earlier than usual based on feedback from the FAA.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move to approve the 2025 – 2029 ACIP for Carson City Airport

CCAA’S Strategic Goal

Maintain airport infrastructure in top condition.

Previous Action and Executive Summary

The CCAA approves the ACIP each year.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount:

General Fund/ Federal Share:

Is it currently budgeted?

Yes, there are minor changes to how the projects have been scheduled and the values have changed as reflected in the ACIP.

Alternatives

Do not approve the proposed ACIP and provide alternative direction.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)



**Airport Capital Improvement Plan
Carson City Airport (CXP)
FY2025 - 2030**

Project Description	Work Code	AIP Grant		BIL Grant		BIL ATP Grant		Total
		Federal	Local	Federal	Local	Federal	Local	
FAA FY 2025								
RSA Drainage and Improvements [Design]	ST RW SF	\$150,000	\$7,500					\$157,500
Pavement Rehab - Main Apron (57,540 SY) [Design + Construction]	RE AP IM			\$305,000	\$15,250			\$320,250
Master Plan Forecasting Update	EN PL MA	\$150,000	\$7,500					\$157,500
	Total	\$300,000	\$15,000	\$305,000	\$15,250	\$0	\$0	\$635,250
FAA FY 2026								
RSA Drainage and Improvements (Construction)	ST RW SF	\$1,250,000	\$62,500	\$295,000	\$14,750			\$1,622,250
Reconstruct Taxiway B (2,765' x 50') [Design]	RE TW IM	\$152,000	\$7,600					\$159,600
Extend Rwy 9/27 (75' x 800') & Twy A (50' x 800') [Focused Planning Study and 25% Design]	EN PL MA			\$310,000	\$15,500			\$325,500
CXP Terminal Building Replacement [Construction]	CA TE CO					\$2,500,000	\$125,000	\$2,625,000
Pavement Rehab - North Apron (39,920 SY) [Design]	RE AP IM	\$21,500	\$1,075					\$22,575
	Total	\$1,423,500	\$71,175	\$605,000	\$30,250	\$2,500,000	\$125,000	\$4,754,925
FAA FY 2027								
Extend Rwy 9/27 (75' x 800') & Twy A (50'x800') [Environmental Assessment]	EN PL MA			\$225,000	\$11,250			\$236,250
Reconstruct Taxiway B (2,765' x 50') [Construct]	RE TW IM	\$1,750,000	\$87,500					\$1,837,500
Pavement Rehab - North Apron (39,920 SY) [Construct]	RE AP IM	\$210,000	\$10,500					\$220,500
	Total	\$1,960,000	\$98,000	\$225,000	\$11,250	\$0	\$0	\$10,181,850
FAA FY 2028								
Extend Rwy 9/27 (75' x 800') & Twy A (50'x800') [Final Design]	EN PL MA	\$75,000	\$3,750	\$340,000	\$17,000			\$435,750
Pavement Rehab - TW A (7,320' x 50') & TW D (6,830' x 50') + Lights [Design]	RE TW IM	\$75,000	\$3,750					\$78,750
	Total	\$150,000	\$7,500	\$340,000	\$17,000	\$0	\$0	\$78,750
FAA FY 2029								
Extend Rwy 9/27 (75' x 800') [Construction]	EN PL MA	\$3,105,000	\$155,250					\$3,260,250
Extend Rwy 9/27 Lighting (800') [Construction]	EN PL MA	\$343,000	\$17,150					\$360,150
Extend Twy A (50' x 800') [Construction]	EN PL MA	\$2,025,000	\$101,250					\$2,126,250
Extend Twy A Lighting (800') [Construction]	EN PL MA	\$230,000	\$11,500					\$241,500
Pavement Rehab - Runway 9/27 (6,101' x 75') [Design]	RE RW IM	\$45,000	\$2,250					\$47,250
Pavement Rehab - TW A (7,320' x 50') & TW D (6,830' x 50') + Lights [Construct]	RE TW IM	\$632,812	\$31,641					\$664,453
	Total	\$677,812	\$33,891	\$0	\$0	\$0	\$0	\$711,703
FAA FY 2030								
Pavement Rehab - TWC & SW Storm Drain (3,800 LF) [Design + Construct]	ST OT IM	\$950,000	\$47,500					\$997,500
Pavement Rehab - Runway 9/27 (6,101' x 75') [Design]	RE RW IM	\$405,000	\$20,250					\$425,250
	Total	\$1,355,000	\$67,750	\$0	\$0	\$0	\$0	\$1,422,750



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: H-5

BOARD MEMO 2023-29

Meeting Date: November 20, 2024

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Approval of the Annual Audit Report of the Carson City Airport Authority for FY 2023/24. (J. Rogers)

Staff Summary: *Casey Neilon completed the annual audit required by NRS 345. The review and approval of the audit by the Authority is required under the statute.*

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move to approve the FY 2023/2024 annual audit report of the Carson City Airport Authority conducted by Casey Neilon.

CCAA'S Strategic Goal

Maintain Financial Stability

Previous Action and Executive Summary

The Carson City Airport Authority approved the FY 2022 - 2023 annual report December 2023 and has done so annually as directed by NRS 354.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount:

General Fund/ Federal Share:

Is it currently budgeted?

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

Financial Statements
June 30, 2024

Airport Authority of Carson City
(A Component Unit of Carson City)

Draft

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Casey Neilson, Inc.
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Airport Authority of Carson City
(A Component Unit of Carson City)
Carson City, Nevada

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Airport Authority of Carson City (the Authority), a Component Unit of Carson City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Authority, as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 4-7, 26-27, and 28-29, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **Date Pending**, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Carson City, Nevada
November 15, 2024

Draft

The Airport Authority of Carson City's (the Authority), a Component Unit of Carson City, management discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activities, (c) identify changes in the Authority's financial position in connection with current and subsequent years challenges, (d) identify any material deviations from the approved budget, and (e) identify issues and concerns.

We encourage readers to read this information in conjunction with the financial statements and notes to financial statements to obtain a comprehensive view of the information presented.

INTRODUCTION

The Authority is an independent political subdivision of the State of Nevada created pursuant to Chapter 844, Statutes of Nevada, 1989. It is charged with the administration and operation of the municipal airport in Carson City, Nevada. The airport's funding for capital improvements is a cooperative effort of the Federal Aviation Administration (FAA) and the Authority. Approximately 95% of the funding for capital improvements is in the form of grants from the FAA and the balance is matching funds provided by the Authority from revenues generated by operations. Accordingly, no separate ad valorem taxes or bonding for construction is required of the citizens of Carson City. Revenue generated from airport operations are sufficient for the annual cost of these operations as well as the implementation of the master plan completed in December of 2020.

FINANCIAL HIGHLIGHTS

Revenue from operational activities of \$1,178,674 increased 14% from the previous year and exceeded budget by 28%. Operational revenue comes from three primary sources: (a) property leases (24%); (b) a portion of real and personal property taxes collected by Carson City for buildings on leased airport property and aircraft based at the airport (29%) and (c) other operational activities such as tie down fees, rock sales, fuel flowage fees, and interest on cash in the bank (47%).

Operational expenditures of \$560,468 were 13% under the budgeted figure of \$643,850 and \$94,716 higher than the previous year primarily due to higher expenses for employee salaries, taxes, and benefits.

The Authority requested and was approved to receive a total of \$220,248 in federal grant money from the FAA, grant number AIP 3-32-0004-37-2021, for snow removal equipment. As of June 30, 2024, the Authority expended \$23,664, with no match requirement.

The Authority requested and was approved to receive a total of \$421,875 in federal grant money from the FAA, grant number AIP 3-32-0004-42-2022, to design an instrument approach aid. As of June 30, 2024, the Authority expended \$446,402, with a 6.25% match requirement.

The Authority requested and was approved to receive a total of \$432,738 in federal grant money from the FAA, grant number AIP 3-32-0004-43-2023, to install an instrument approach aid. As of June 30, 2024, the Authority expended \$70,599, with a 6.25% match requirement.

FINANCIAL HIGHLIGHTS (CONTINUED)

The Authority requested and was approved to receive a total of \$1,619,581 in federal grant money from the FAA, grant number AIP 3-32-0004-44-2023, to construct, rehabilitate, modify and expand the snow removal equipment building. As of June 30, 2024, the Authority expended \$82,775, with a 6.25% match requirement.

FINANCIAL STATEMENTS

The first two statements (pages 8 and 9) are combined fund and government-wide (Statement of Net Position) financial statements that provide both long-term and short-term information about the Authority's overall financial status. The primary differences between the Governmental Fund Balance Sheet and the Statement of Net Position relate to the capitalization and depreciation of capital assets, the inclusion of the lease payment exchange for infrastructure as a liability and the addition of the PERS liability and related deferred outflow and inflow activity in the government-wide statements.

The Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual (pages 26 and 27) shows income and expenditures in the same format as our budget is generally presented. There were no significant variances between budgeted and actual figures except for variations in grant revenue and related capital expenses and an increase in interest earnings that reflect the Net Present Value of new airport leases.

YEAR-END POSITION

The Authority expects to maintain a minimum fund balance in future years with the possibility that the fund balance will actually become negative as the Authority continues to utilize prepaid leases to fund the match on FAA projects but believes the cash flow necessary to fund on-going operations is available.

Airport Authority of Carson City
 (A Component Unit of Carson City)
 Management's Discussion and Analysis
 For the year ended June 30, 2024

A summary of the condensed government-wide financial information is presented below:

Condensed Statements of Net Position		
	2024	2023
Current assets	\$ 2,636,911	\$ 2,357,147
Long term assets	7,174,309	7,242,012
Capital assets	2,546,410	2,303,672
Prepaid airport improvements	127,533	133,773
Total assets	12,485,163	12,036,604
Deferred outflows of resources	196,462	208,450
	12,681,625	12,245,054
Total liabilities	421,384	416,318
Deferred outflows of resources	7,129,777	7,407,641
	7,551,161	7,823,959
Net position		
Net investment in capital assets	2,546,410	2,290,429
Unrestricted	2,584,054	2,130,666
	\$ 5,130,464	\$ 4,421,095

Condensed Statements of Activities		
	2024	2023
Charges for services	\$ 335,111	\$ 273,549
Material sales	62,339	82,104
Federal and state grants	232,798	396,883
General revenue	779,822	675,621
Total revenues	1,410,070	1,428,157
Airport Authority operations	700,701	587,702
Airport construction, planning projects and capital outlay	-	5,970
	700,701	593,672
Change in net position	709,369	834,485
Net position, beginning of year	4,421,095	3,326,245
Prior period adjustment	-	260,365
	-	260,365
Net position, beginning of year - as restated	4,421,095	3,586,610
Net position, end of year	\$ 5,130,464	\$ 4,421,095

DEBT ACTIVITY

The Authority currently has no bond indebtedness.

ECONOMIC FACTORS

Primarily all airport revenue, other than grants, is based on personal property taxes and long-term property leases (50 years or more). These revenue sources are stable. As additional areas of the airport are developed, the additional leases and buildings should provide increases in revenue beyond increases in the CPI.

The Airport Authority will continue to implement the 2020 Master Plan over the next several months with the following Airport Capital Improvement Program (ACIP) projects: Construct Snow Removal Equipment Building, Acquire Snow Removal Equipment, and Install Approach Lighting, offset PAPI (Construction). Based upon economic recovery, the Airport Authority will also be looking to implement the 33-acre Center Triangle Development and the 12-acre Bravo parcel in the Master Plan, which will provide the Airport with mixed-use aircraft hangars.

The improvements to the Airport and its facilities should increase interest in the Airport as a home for an increased number of aircraft thus increasing the revenue stream from real and personal property taxes, property leases, and fuel flowage fees.

RISK ASSESSMENT

FAA funds authorized to be used for airport development are determined annually and the amount authorized will impact the timing of the implementation of the master plan. The Airport Authority is seeking additional economic development activities to maximize the Airport Authority's self-sufficiency.

CAPITAL ASSETS

As of June 30, 2024, the Authority's capital assets amounted to \$2,546,410, net of accumulated depreciation and amortization, an increase of \$242,738 from the prior year, attributable mostly to the completion of the installation of instrument approach aids and the construction, rehabilitation, modification and expansion of the snow removal equipment building.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Airport Authority of Carson City, 2600 E. College Pkwy, Carson City, NV 89706.

Airport Authority of Carson City
(A Component Unit of Carson City)
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2024

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 2,226,490	\$ -	\$ 2,226,490
Accounts receivable, net of allowance	44,068	-	44,068
Leases receivable	7,174,309	-	7,174,309
Accrued interest receivable	9,031	-	9,031
Due from other government	357,452	-	357,452
Capital assets, net of accumulated depreciation	-	2,546,410	2,546,410
Prepaid airport improvements	1,000	126,533	127,533
Total assets	9,812,350	2,672,943	12,485,293
Deferred Outflows of Resources			
Pension requirement	-	196,462	196,462
Total assets and deferred outflows of resources	\$ 9,812,350	2,869,405	12,681,755
Liabilities			
Accounts payable	\$ 75,940	-	75,940
Accrued expenses	-	8,619	8,619
Net pension liability	-	336,955	336,955
Total liabilities	75,940	345,574	421,514
Deferred Inflows of Resources			
Lease transactions	6,932,176	126,533	7,058,709
Pension requirement	-	71,068	71,068
	6,932,176	197,601	7,129,777
Total liabilities and deferred inflows of resources	7,008,116	543,175	7,551,291
Fund Balance/Net Position			
Fund balance			
Committed			
Gate fees	8,866	(8,866)	-
Assigned			
Designated for subsequent year's expenditures	442,835	(442,835)	-
Unassigned	2,352,533	(2,352,533)	-
Total fund balance	2,804,234	(2,804,234)	-
Total liabilities and fund balance	\$ 9,812,350		
Net Position			
Net investment in capital assets		2,546,410	2,546,410
Unrestricted		2,584,054	2,584,054
Total net position		\$ 5,130,464	\$ 5,130,464

Airport Authority of Carson City

(A Component Unit of Carson City)

Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	General Fund	Adjustments	Statement of Activities
Expenditures/Expenses			
Airport Authority operations	\$ 566,708	\$ 133,993	\$ 700,701
Airport construction, planning projects and capital outlay	<u>359,782</u>	<u>(359,782)</u>	<u>-</u>
Total expenditures/expenses	<u>926,490</u>	<u>(225,789)</u>	<u>700,701</u>
Program Revenue			
Charges for services	335,111	-	335,111
Material sales	62,339	-	62,339
Federal grants	<u>232,798</u>	<u>-</u>	<u>232,798</u>
Total program revenue	<u>630,248</u>	<u>-</u>	<u>630,248</u>
Net Program Revenue	<u>(296,242)</u>	<u>225,789</u>	<u>(70,453)</u>
General Revenue			
Interest income	440,183	-	440,183
Property taxes	<u>341,041</u>	<u>(1,402)</u>	<u>339,639</u>
Total general revenue	<u>781,224</u>	<u>(1,402)</u>	<u>779,822</u>
Debt Service			
Principal	(13,243)	13,243	-
Interest	<u>(528)</u>	<u>528</u>	<u>-</u>
Total debt service	<u>(13,771)</u>	<u>13,771</u>	<u>-</u>
Excess of Revenue over Expenditures	471,211	(471,211)	-
Change in Net Position	-	709,369	709,369
Fund Balance/Net Position			
Beginning of year	<u>2,333,023</u>	<u>2,088,072</u>	<u>4,421,095</u>
End of year	<u>\$ 2,804,234</u>	<u>\$ 2,326,230</u>	<u>\$ 5,130,464</u>

Note 1 - Summary of Significant Accounting Policies

The Airport Authority of Carson City's (the Authority), a Component Unit of Carson City, financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity

The financial statements present the financial position and results of operations of the Authority, under the direct jurisdiction of the Authority of Trustees of the Authority. The Authority, as organized under Senate Bill No. 255 of the 1989 Legislative Session, Special Act Nevada Revised Statutes Chapter 844, provides for management and maintenance of the Carson City airport.

The Authority is considered to be part of the city of Carson City, Nevada's (City) reporting entity because it has oversight responsibility and, therefore, these statements are described as component unit financial statements. The criteria used in determining oversight responsibility for financial reporting purposes is set forth by Governmental Accounting Standards Board Codification, Section 2100, Defining the Reporting Entity. Indications of oversight responsibility include: (1) appoints, or serves as, a majority of the organization's governing body and is able to impose its will or there is a potential to provide financial benefits or impose financial burdens, or (2) financial dependency. The Authority has no component units to include in these financial statements. The Airport Manager maintains all accounting records.

Basic Financial Statements – Government-Wide Statements

The basic financial statements include both government-wide and fund financial information. The government-wide financial statements are reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Basic Financial Statements - Fund Accounting

The financial transactions of the Authority are reported in the general fund. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflow of resources, fund equity, revenue, and expenditures. The Authority's general fund is a governmental fund type. Governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. The recorded fund balance is considered a measure of "available spendable resources." Operating statements for governmental funds present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Authority is defined as a single-program special-purpose entity under GASB Codification 2600, Reporting Entity and Component Unit Presentation and Disclosure. This classification allows for the preparation of financial statements under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard methodology, the government-wide statement of net position and statement of activities are presented independently from the respective fund balance sheet and statement of revenues, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from the fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The Authority has utilized this optional method of presentation.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority maintains its accounting records for its governmental fund types on the modified accrual basis of accounting. This method provides for recognizing expenditures at the time liabilities are incurred, while revenue is recorded when measurable and available to finance expenditures of the fiscal period. Available is defined as being due and collected within the current period or within 60 days after fiscal year end. When revenue is due, but will not be collected within 60 days, the receivable is recorded, and deferred inflow of resources – unavailable revenue is established.

Budgets and Budgetary Accounting

The Authority adheres to the Local Government Budget Act incorporated within Statutes of the State of Nevada. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Appropriations lapse at year end. Budget amounts within the general fund may be transferred if amounts do not exceed the original budget. Such budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Trustees. In accordance with the Statutes, actual expenditures may not exceed budget appropriations of the Airport function of the general fund. An encumbrance system is not utilized by the Authority.

Cash and Cash Equivalents

The Authority's cash and cash equivalents include cash on deposit at one commercial bank and in the State Treasurer's Local Government Investment Pool. The Authority does not currently have a deposit policy related to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure the Authority's deposits may not be returned. The Authority's bank deposits are covered by FDIC insurance.

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Pooled investment funds consist of cash deposited in the interest-bearing State of Nevada's Local Government Investment Pool. Investments are recorded at fair value, which is the same as the value of the pool shares. The State of Nevada Local Government Investment Pool is an unrated external investment pool that does not provide information on realized or unrealized gain or loss activity. Accordingly, changes in the investment pool are reflected as interest income in the accompanying financial statements.

Accounts Receivable

Accounts receivable primarily consists of long-term property lease transactions. An allowance for bad debt has been set up, so that accounts receivable are carried at an amount management expects to collect. Bad debts are provided for using the allowance method. Management's review of outstanding balances as of June 30, 2024 indicated that an allowance of \$1,331 was required. Management conducts an annual evaluation of uncollected accounts and the allowance estimate.

Inventory of Consumable Supplies

Management of the Authority has elected to consider expenditures for supplies held for consumption as charges against appropriations at the time of purchase. Any inventories of such supplies at June 30, 2024, are not material and accordingly, are not recognized in the financial statements.

Prepaid Airport Improvements

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

Capital Assets

All capital assets are valued at historical cost. Capital assets of the Authority included the improvements to the runway area such as lights, fencing, equipment, and property acquired for clear zones. The assets transferred from the City to the Authority, at their original cost to the City, were capitalized at that amount. Capital outlay incurred for land and improvements to airport property purchased with pass-through grantor funds with Carson City, Nevada as the sponsor agency have not been capitalized; however, they are reflected in the City's financial statements.

For purposes of the government-wide financial statements, depreciation of capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' useful lives using the straight-line method of depreciation. The Authority's capital assets consist of vehicles, machinery and equipment which have useful lives of 5 to 10 years.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The Authority reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at June 30, 2024.

In the fund financial statements, capital assets used in operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and the proportionate share of contributions as well as contributions made after the measurement period for pensions qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments, and leases qualify for reporting in this category.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation, right-of-use assets, net of accumulated amortization and net of any related debt.

Restricted net position – consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Authority has no restricted net position.

Unrestricted net position – net position that is neither classified as “restricted” nor as “net investment in capital assets.”

Note 1 - Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

In the governmental fund financial statement, fund balances are classified as follows:

Nonspendable - represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. The Authority includes fund balances that have been prepaid for expenditures in this category.

Restricted – represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. The Authority has no restricted fund balances.

Committed – represents amounts which can be used only for specific purposes determined by the members of the governing Authority's formal action through a resolution or action. The Authority has committed resources for gate expenditures that result from gate fee charges.

Assigned - represents amounts that are intended by the Authority for specific purposes but do not require action by the governing Authority. The Authority has amounts designated for subsequent year expenditures included in this category which represent a projected budgetary deficit in the subsequent years budget, if any.

Unassigned – represents all amounts not included in non-spendable classifications.

The Authority's policy is to first apply expenditures against non-spendable fund balances and then unassigned balances. On an annual basis assigned fund balances are determined based upon available resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as applied to governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Pronouncements

During the year ended June 30, 2024, the Authority implemented the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*. Issued in June 2022, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. There is no impact to the Authority for implementing this standard.

Note 1 - Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (not yet adopted)

The following GASB pronouncements have been issued, but are not effective as of June 30, 2024:

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, Governments commonly provide benefits to employees in the form of compensated absences. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 will be effective for the Authority for fiscal year ending June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. Issued in December 2023, the primary objective of this Statement is to enhance the quality and completeness of financial reporting by ensuring that stakeholders are informed about significant risks that could impact the entity's financial position. Statement No. 102 will be effective for the Authority for fiscal year ending June 30, 2025.

The Authority will implement new GASB pronouncements no later than the required effective date. The Authority is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact on the Authority's financial statements.

Leases

The Authority is a lessor for noncancellable leased assets. The Authority recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The Authority uses prime rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

In preparing these financial statements, the Board has evaluated events and transactions for potential recognition or disclosure through **Date Pending**, the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Note 2 - Compliance with Nevada Revised Statutes (NRS) and the Nevada Administrative Code

The Authority conformed to all significant statutory constraints on its financial administration.

Note 3 - Cash and Cash Equivalents

By provision of statutes, the Authority is authorized to deposit all money in banks or savings and loan associations located in the State of Nevada and must be subject to withdrawal on demand. The Authority maintains its checking and savings accounts in one commercial bank. The accounts are each insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 or collateralized under the state collateral pool by the applicable banking institution.

The Authority is authorized to invest in the State of Nevada Local Government Investment Pool (LGIP). The LGIP is administered by the State Treasurer, with oversight by the State of Nevada Authority of Finance. State statutes require the State Treasurer to collateralize the deposits made to it with other securities. The LGIP invests in securities as allowed by statute. The State of Nevada, Local Government Investment Pool issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Office of the State Treasurer, of the State of Nevada, 101 North Carson Street, #4, Carson City, Nevada, 89701.

The Authority categorizes the fair value measurements of its investments in the Local Government Investment Pool based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

- Level 1 – Inputs are quoted prices in active markets for identical assets;
- Level 2 – Inputs are significant other observable inputs; and
- Level 3 – Inputs are significant unobservable inputs.

The Authority's deposits in the pool are considered to be highly liquid. At June 30, 2024, \$2,036,354 was held in the Local Government Investment Pool. At June 30, 2024 the LGIP reported Level 1 investments of \$1,088,823 and Level 2 investments of \$947,532 and a weighted average maturity of 82 days. The Authority does not have any investments that are measured using Level 3 inputs.

Note 4 - Due from and to Other Government

At June 30, 2024, the Authority is owed \$357,452 for an intergovernmental receivable from the City of Carson City, Nevada, for personal property taxes and FAA grant reimbursements.

Note 5 - Capital Assets

Capital asset activity consists of the following for the years ended June 30:

	June 30, 2023	Additions	Deletions	June 30, 2024
Capital assets, not being depreciated				
Land	\$ 146,542	\$ -	\$ -	\$ 146,542
Capital assets, being depreciated				
Machinery and equipment	1,815,274	136,002	-	1,951,276
Less accumulated depreciation				
Machinery and equipment	(466,021)	(119,166)	-	(585,187)
Total capital assets being depreciated, net	1,349,253	16,836	-	1,366,089
Capital Assets, Net	1,495,795	16,836	-	1,512,631
Construction in progress	807,877	354,955	(129,053)	1,033,779
	<u>\$ 2,303,672</u>	<u>\$ 371,791</u>	<u>\$ (129,053)</u>	<u>\$ 2,546,410</u>

Note 6 - Long-Term Lease Revenue Transactions

The Authority entered into an airport lease agreement, dated October 10, 1994, with Contri Construction Company (Contri). The lease was subsequently assigned to Mayes. Mayes leases the property for 50 years in return for improving the flood control ditch; furnishing and providing the utility infrastructure by installing power, gas and telephone lines; providing trenching and a six-inch water line; and furnishing and installing six-inch PVC sewer and manholes. These improvements were made to assets belonging to the City, and are not reflected in the capital assets of the Authority. The unamortized balance is reflected as a prepaid expense in the accompanying government-wide financial statements.

The value of the work was determined to be \$312,000 or \$6,240 a year for 50 years. This lease transaction is a noncash transaction, which is amortized, in the accompanying financial statements at \$6,240 a year. The remaining balance of the prepaid lease improvements was \$126,533 at June 30, 2024.

On January 26, 2017, the Authority entered into an amended lease agreement with John Mayes, who assumed the Contri lease discussed above, in which the lessee prepaid \$27,424 which represented an increase in the above lease. The new amount will be amortized over a 28-year period. The lease will be amortized at a rate of \$979 per year. On July 18, 2018, the Authority entered into a lot line adjustment on the above lease with John Mayes in which the lessee prepaid \$23,058, which is being amortized over a 25 year period. The lease will be amortized at the annual rate of \$907. At June 30, 2024, the balance of the Mayes prepaids lease reflected in deferred inflows of resources in the accompanying financial statements totaled \$163,731.

Note 6 - Long-Term Lease Revenue Transactions (Continued)

On September 1, 2005, the Authority entered into a lease agreement with KCXP Investments LLC in which the lessee prepaid a 50-year lease in the amount of \$362,890. The lease will be amortized at a rate of \$7,258 per year over the 50 years. At June 30, 2024, the balance of the prepaid lease reflected in deferred inflows of resources in the accompanying financial statements totaled \$226,201.

On October 19, 2006, the Authority entered into an amended lease agreement with Cubix in which the lessee prepaid a 15-year lease in the amount of \$100,679. The lease will be amortized at a rate of \$9,330 for the first five years, \$40,600 for the second five years, and \$50,749 for the last five years. In 2017, this lease was assigned to Goni Aviation, LLC. At June 30, 2024, the balance of the prepaid lease had been completely amortized.

Advance payments on leases at June 30, 2024, totaling \$23,979 will be recognized in the subsequent year and are included in deferred inflows of resources.

In addition, the Authority is a party to several long-term leases that are not reflected above that will earn revenue into future periods. In accordance with GASB 87, *Leases*, the lease receivable is initially measured at the net present value of the future minimum lease payments expected to be received. As there was no discount rate stated in any of the leases, the leases were discounted using a rate of 4.75% (prime rate as of the date of implementation). The payments are recognized as a reduction of the lease receivable and interest income as payments are received. The deferred inflow of resources at the time of implementation is recorded as an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight line basis over the life of the lease.

Following is a schedule of the principal and interest on all of the leases:

Years Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 69,758	\$ 340,780	\$ 410,538
2026	78,026	337,466	415,492
2027	90,039	333,760	423,799
2028	102,844	329,483	432,327
2029-2033	634,940	1,562,347	2,197,287
2034-2038	734,544	1,405,589	2,140,133
2039-2043	797,436	1,224,767	2,022,203
2044-2048	1,108,794	1,010,271	2,119,065
2049-2053	996,524	735,180	1,731,704
2054-2058	504,384	561,393	1,065,777
2059-2063	634,223	432,371	1,066,594
2064-2068	816,474	260,542	1,077,016
2069-2072	606,323	75,284	681,607
	<u>\$ 7,174,309</u>	<u>\$ 8,609,233</u>	<u>\$ 15,783,542</u>

Note 7 - Long-Term Lease Purchase Transaction

In December 2019, the Authority entered into a lease purchase arrangement for a tractor. The total cost of the tractor was \$73,699 made with cash of \$23,700 and debt of \$49,999. The loan is payable in four annual installments of \$13,771, including applicable interest, beginning December 1, 2020. Interest accrues at 3.99%. The loan is secured by the specific equipment.

The lease agreement provided an option to purchase the tractor upon payoff of the loan, which the Authority exercised and paid off on November 21, 2023. Leased property at June 30, 2024 totaled \$73,699, with accumulated depreciation of \$37,117 and is included in capital assets.

Note 8 - Pensions

General Information About the Pension Plan

Plan Description

PERS (PERS or System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

General Information About the Pension Plan (Continued)

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010 and for members entering the System on or after July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 – 286.579.

Note 8 – Pensions (Continued)

General Information About the Pension Plan (Continued)

Vesting

Regular members entering the System prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015 are eligible for retirement at age 65 with 5 years of service, or at age 62 with 20 years of service, or at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2023, the statutory employer/employee matching rate was 17.5% for regular employees. The employer-pay contribution (EPC) rate was 33.50%, for June 30, 2023 for regular employees. The Authority's contributions were \$36,562 for the year ended June 30, 2024.

Note 8 – Pensions (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Authority reported a liability of \$336,955 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2023. At June 30, 2023, the Authority's proportion was .00185%, which was an increase of .00016% from its proportion measured at June 30, 2023.

For the year ended June 30, 2024, the Authority recognized pension expense of \$70,116. Amounts totaling \$36,62 resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,920	\$ -
Changes of assumptions	31,579	-
Net difference between projected and actual earnings on pension plan investments	-	3,154
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	84,401	67,914
Contributions subsequent to the measurement date	36,562	-
	\$ 196,462	\$ 71,068

The \$36,562 reported as deferred outflows of resources resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2024. The net difference between projected and actual investment earnings on pension plan investments will be recognized over five years, all the other above deferred outflow and deferred inflows will be recognized over the average expected remaining services lives, which was 5.63 years for the measurement period ending June 30, 2023.

Note 8 – Pensions (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The amount reported as deferred outflows/(inflows) of resources, without regard to contributions subsequent to the measurement date, will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2025	\$ 28,346
2026	16,573
2027	32,057
2028	7,898
2029	3,958
	\$ 88,832

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Investment rate of return	7.25%
Payroll growth	4.20% to 9.10%, depending on service
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Consumer price index	2.50%
Other assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

Mortality rates for all non-disabled members (Regular and Police/Fire) age 50 and over were based on the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. For all non-disabled members under the age of 50, mortality rates were based on smoothed differences between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates were used.

Note 8 – Pensions (Continued)

Actuarial Assumptions (Continued)

The mortality table used in the actuarial valuation to project mortality rates for all disabled members (Regular and Police/Fire) is the Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial valuation completed that same date. There were no changes in actuarial assumptions since the preceding valuation.

Investment Policy

The System's policies which determine the investment portfolio target asset allocation are established by the Retirement Authority. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Retirement Authority's adopted policy target asset allocation as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	28%	0.75%
Private Equity	12%	6.65%

* As of June 30, 2023, PERS' long-term inflation assumption was 2.5%

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2023, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

Note 8 – Pensions (Continued)

Discount Rate and Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the PERS as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	\$ 524,351	\$ 336,955	\$ 182,298

Pension Plan Fiduciary Net Position

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Annual Comprehensive Fiscal Report (ACFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 9 - Commitments, Contingencies and Risk Management

The Construction of the Snow Removal Equipment Building and the Construction of the Instrument Approach Aid grants are still open. The total expected federal share for these two projects is \$1,903,162 with a local match of \$127,235. The Acquire Snow Removal Equipment project is still open, with an expected federal share of \$196,584 and no local match. The Design Instrument Approach Aid project is still open, with an expected federal share of \$3,374 and a local match of \$224.

There were no other claims pending or unresolved disputes involving the Authority at June 30, 2024.

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of these risks of loss. In the past three years, no claims exceeded existing insurance coverage. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority.

Note 10 - Related Party Transactions

The Authority leases certain property to various individuals or related businesses that are members or relatives of the Authority of Trustees. All such transactions are considered to be arms-length transactions.

Note 11 - Conversion to Government-Wide Financial Statements

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenue, expenditures, and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net position and activities.

The differences are reflected below:

Statement of Net Position and Governmental Fund Balance Sheet Adjustments – Increases (Decreases)

Capitalization of fixed assets of \$3,131,597, accumulated depreciation of (\$585,187) - \$2,546,410
Prepaid airport improvements incurred by lessee and long-term lease - \$126,533
Accrued compensated absences - \$8,619
Pension activity including deferred outflows of (\$196,462), net pension liability of \$336,955 and deferred inflows of \$71,068 - \$211,561
Elimination of fund balances - (\$2,804,234)
Inclusion of net position - \$5,130,464

Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances Adjustments

Change in net pension liability and related accounts - (\$11,492)
Depreciation expense - (\$119,166)
Increase in accrued compensated absences - (\$4,929)
Capitalization of fixed assets - \$361,904
Final payment on loan - \$13,243
Property taxes received - (\$1,402)

Required Supplementary Information
June 30, 2024

**Airport Authority of Carson City (A
Component Unit of Carson City)**

Draft

Airport Authority of Carson City

(A Component Unit of Carson City)

Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024

	2024			Variance to Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			(Memorandum Only)
Revenue					
Local government shared revenue					
Property tax					
Aircraft	\$ 210,000	\$ 210,000	\$ 191,132	\$ (18,868)	\$ 197,289
Buildings	140,000	140,000	149,909	9,909	142,622
FAA grant revenue	<u>2,398,513</u>	<u>3,264,875</u>	<u>232,798</u>	<u>(3,032,077)</u>	<u>396,883</u>
Total local government shared revenue	<u>2,748,513</u>	<u>3,614,875</u>	<u>573,839</u>	<u>(3,041,036)</u>	<u>736,794</u>
Miscellaneous					
Leases - annual	401,340	401,340	282,273	(119,067)	225,957
Interest earnings	65,000	65,000	440,183	375,183	334,308
Tie-downs	9,000	9,000	9,551	551	10,049
Fuel flowage fees	20,000	20,000	15,128	(4,872)	16,594
Jet fuel tax	4,000	4,000	1,825	(2,175)	883
Through the fence fees	7,200	7,200	8,974	1,774	8,058
Miscellaneous	10,700	10,700	7,175	(3,525)	6,833
Gate cards	900	900	1,935	1,035	525
Class II FBO fees	12,000	12,000	8,250	(3,750)	4,650
Rock sales	40,000	40,000	62,339	22,339	82,104
Total miscellaneous revenue	<u>570,140</u>	<u>570,140</u>	<u>837,633</u>	<u>267,493</u>	<u>689,961</u>
Total revenue	<u>3,318,653</u>	<u>4,185,015</u>	<u>1,411,472</u>	<u>(2,773,543)</u>	<u>1,426,755</u>
Expenditures					
Current					
Airport service and supplies					
Repairs and maintenance	53,250	53,250	68,201	(14,951)	47,716
Website and AWOS	9,000	6,000	2,184	3,816	5,430
Utilities and telephone	19,700	19,700	25,432	(5,732)	19,942
Contractual services	6,000	6,000	3,656	2,344	11,569
Insurance	13,000	13,000	17,040	(4,040)	12,451
Operating supplies	8,250	8,250	6,334	1,916	20,456
Miscellaneous	16,450	20,950	8,843	12,107	11,094
Audit and accounting services	71,800	71,800	52,534	19,266	53,243
Legal	100,000	100,000	33,225	66,775	82,494
Airport engineering	-	-	3,000	(3,000)	(1,977)
Total airport service and supplies	<u>297,450</u>	<u>298,950</u>	<u>220,449</u>	<u>78,501</u>	<u>262,418</u>

Airport Authority of Carson City
(A Component Unit of Carson City)

Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024

	2024			Variance to Final Budget	2023
	Budgeted Amounts		Actual		Actual (Memorandum Only)
	Original	Final			
Airport administration					
Salaries and wages	\$ 221,431	\$ 221,400	\$ 218,280	\$ 3,120	\$ 140,072
Employee taxes and benefits	123,444	123,500	121,739	1,761	63,262
Total airport administration	<u>344,875</u>	<u>344,900</u>	<u>340,019</u>	<u>4,881</u>	<u>203,334</u>
Total airport operations	<u>642,325</u>	<u>643,850</u>	<u>560,468</u>	<u>83,382</u>	<u>465,752</u>
Capital outlay					
FAA grant project					
Rehabilitation taxiways	15,000	15,000	-	15,000	-
Safety area improvement	275,000	275,000	-	275,000	-
Relocate AWOS	-	-	-	-	23,191
Snow removal	218,000	218,000	355	217,645	675
Approach lighting	1,500,000	1,500,000	137,084	1,362,916	395,273
Construct buildings	825,880	1,750,000	79,679	1,670,321	264
Extend terminal building	120,000	120,000	-	120,000	-
Other capital outlay	7,200	7,200	142,664	(135,464)	117,741
Total capital outlay	<u>2,961,080</u>	<u>3,885,200</u>	<u>359,782</u>	<u>3,525,418</u>	<u>537,144</u>
Debt service					
Principal	13,800	13,800	13,243	557	12,734
Interest	-	-	528	(528)	1,037
Lease transaction	-	-	6,240	(6,240)	6,240
Total expenditures	<u>3,617,205</u>	<u>4,542,850</u>	<u>940,261</u>	<u>3,602,589</u>	<u>1,022,907</u>
Excess of Revenue over (under) Expenditures	(298,552)	(357,835)	471,211	829,046	403,848
Fund Balance, Beginning of Year	<u>1,288,760</u>	<u>1,182,506</u>	<u>2,333,023</u>	<u>1,150,517</u>	<u>1,924,790</u>
Prior period adjustment					
Correction of an error	-	-	-	-	4,385
Fund Balance, End of Year	<u>\$ 990,208</u>	<u>\$ 824,671</u>	<u>\$ 2,804,234</u>	<u>\$ 1,979,563</u>	<u>\$ 2,333,023</u>

Airport Authority of Carson City

(A Component Unit of Carson City)

Schedule of Changes in Net Pension Liability Based on Measurement Date

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Portion of the net pension liability	0.00185%	0.00169%	0.00156%	0.00248%	0.00169%
Proportionate share of the net pension liability	\$ 336,955	\$ 305,474	\$ 142,340	\$ 345,921	\$ 230,178
Covered payroll	\$ 143,334	\$ 126,189	\$ 104,445	\$ 143,181	\$ 134,163
Proportionate share of the net pension liability as a percentage of its covered payroll	235.08%	242.08%	136.28%	241.60%	171.57%
Plan fiduciary net position as a percentage of the total pension liability	76.16%	75.12%	86.51%	77.04%	76.46%
	2018	2017	2016	2015	2014
Portion of the net pension liability	0.00092%	0.00147%	0.00150%	0.00139%	0.00094%
Proportionate share of the net pension liability	\$ 125,881	\$ 196,091	\$ 202,273	\$ 158,883	\$ 97,541
Covered payroll	\$ 72,499	\$ 101,312	\$ 91,332	\$ 83,111	\$ 84,222
Proportionate share of the net pension liability as a percentage of its covered payroll	173.63%	193.55%	221.47%	191.17%	115.81%
Plan fiduciary net position as a percentage of the total pension liability	74.40%	74.42%	72.23%	75.13%	76.31%

Airport Authority of Carson City
 (A Component Unit of Carson City)
 Schedule of Contributions
 Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 36,562	\$ 21,321	\$ 19,099	\$ 15,643	\$ 21,232
Contributions in relation to the contractually required contribution	<u>(36,562)</u>	<u>(21,321)</u>	<u>(19,099)</u>	<u>(15,643)</u>	<u>(21,232)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 216,787	\$ 143,334	\$ 126,189	\$ 104,445	\$ 143,181
Contributions as a percentage of covered payroll	16.87%	14.88%	15.14%	14.83%	14.83%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 19,054	\$ 13,295	\$ 14,690	\$ 14,690	\$ 14,206
Contributions in relation to the contractually required contribution	<u>(19,054)</u>	<u>(13,295)</u>	<u>(14,690)</u>	<u>(14,690)</u>	<u>(14,206)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 134,163	\$ 72,499	\$ 101,312	\$ 91,332	\$ 83,111
Contributions as a percentage of covered payroll	14.20%	18.34%	14.50%	16.08%	17.09%

Casey Neilson, Inc.
Accountants and Advisors

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Authority of Trustees
Airport Authority of Carson City
(A Component Unit of Carson City)
Carson City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Airport Authority of Carson City (the Authority), a Component Unit of Carson City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated **Date Pending**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001, 2024-002 and 2024-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-004 and 2024-005 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Airport Authority of Carson City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Airport Authority of Carson City's response to the findings and responses. The Airport Authority of Carson City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Casey Nalor

Reno, Nevada
Date Pending

Casey Neilson, Inc.
Accountants and Advisors

Auditor's Comments

To the Authority of Trustees
Airport Authority of Carson City
(A Component Unit of Carson City)
Carson City, Nevada

In connection with our audit of the financial statements of the Airport Authority of Carson City (the Authority), a Component Unit of Carson City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Authority failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance

The Authority monitored all significant constraints on its financial administration during the year ended June 30, 2024.

Current Year Recommendations

See the schedule of findings and responses for the current year recommendations.

Progress on Prior Year Recommendations

Significant differences were noted in the accounting records that required proposed audit adjustments in the current year.

Casey Neilson

Reno, Nevada
Date Pending

Financial Statement Findings

2024-001 *Internal Control over the Preparation of Financial Statements and Reconciliations*
Material Weakness

Criteria: The Authority should have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures.

Condition: The Authority does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited without material adjustments. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements, which is common. However, there were multiple accounts in which reconciliations were not properly completed, reconciled to final balances or reviewed timely.

Cause: While management is reviewing the financial reports prior to each board meeting, complete and accurate reconciliations are not provided such that management can perform a detailed review.

Effect: Errors or omissions could occur without being identified in the normal course of operations.

Identification of Repeat Finding: This is a repeat finding from the fiscal year 2022 audit.

Recommendation: We recommend that the Authority implement a policy that includes review of the financial information as recorded in the records and a review of expenses incurred to reduce the risk of errors or omissions.

Views of Responsible Officials: The Authority is in agreement with the finding. Many improvements to the standard operating procedures have already been implemented in 2024, but they did not make any retroactive corrections. The recommendations presented will also improve on these new standard operating procedures even further. Many of the findings are due to the transition of management and prior lack of additional personnel to assist management, and management believes the recommended solutions will help us improve moving forward.

**2024-002: Grant Expenditures
Material Weakness**

Criteria: Internal controls should be in place to provide reasonable assurance that protects the Authority from errors or omissions.

Condition: During the course of our engagement, we proposed material audit adjustments to the Authority's recorded account balances in grant revenues and expenditures including capitalizing grant expenditures, and reclassifying amounts. Additionally, the accounting records report the federal grants on a net basis. If the adjustments were not recorded, it would have resulted in a material misstatement of the Authority's financial statements. The need for these adjustments indicates that the Authority's interim financial information is not materially correct, which may affect appropriate grant reporting.

Cause: The Authority is not reviewing and monitoring the grant revenue and expenditures as reflected in the accounting records.

Effect: Errors or omissions could occur without being identified in the normal course of operations.

Identification of Repeat Finding: This is a repeat finding from the fiscal year 2022 audit.

Recommendation: The Authority should implement a policy that includes review of the financial information as recorded in the records and a review of revenue and expenses incurred to reduce the risk of errors or omissions.

Views of Responsible Officials: The Authority is in agreement with the finding. Many improvements to the standard operating procedures have already been implemented in 2024, but they did not make any retroactive corrections. The recommendations presented will also improve on these new standard operating procedures even further. Many of the findings are due to the transition of management and prior lack of additional personnel to assist management, and management believes the recommended solutions will help us improve moving forward.

2024-003: *Schedule of Expenditures of Federal Awards Material Weakness*
Material Weakness

Criteria: Title 2 Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires grantees to prepare the Schedule of Expenditures of Federal Awards (SEFA).

Condition: While a SEFA is only required in a year in which the Authority is subject to a Single Audit, inaccurate completion of a SEFA could result in the required audit not being completed. The accounting system utilized to prepare the SEFA by the Authority did not properly reflect the expenditures of federal awards.

Cause: The Authority did not have adequate internal controls to ensure federal expenditures reported for amounts passed through to subrecipients on the SEFA were accurately reported.

Effect: Errors or omissions could occur without being identified in federal expenditures. Additionally, the Authority could be subject to the Single Audit requirement due to the magnitude of expenditures and not be aware that the requirement applies.

Identification of Repeat Finding: This is a repeat finding from the fiscal year 2022 audit.

Recommendation: We recommend the Authority enhance internal controls to ensure total federal expenditures are accurately reported on the SEFA.

Views of Responsible Officials: The Authority is in agreement with the finding. Many improvements to the standard operating procedures have already been implemented in 2024, but they did not make any retroactive corrections. The recommendations presented will also improve on these new standard operating procedures even further. Many of the findings are due to the transition of management and prior lack of additional personnel to assist management, and management believes the recommended solutions will help us improve moving forward.

2024-004: Payroll Management
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Review and approval of payroll transactions is a necessary component of effective internal control over financial reporting.

Condition: During our testing of payroll transactions we identified that payroll transactions were not being recorded correctly in the accounting system. Additionally, while the Airport Manager has a contract specifying payment and carryover of vacation time, the other airport employees do not and this is not addressed in the employee manual.

Cause: The Authority did not have adequate controls for reviewing the payroll reports and financial statements for accuracy of payroll recording.

Effect: Expenses were misstated as employer payroll taxes and reimbursements for health insurance were not captured in the accounting records.

Identification of Repeat Finding: This is a repeat finding from the fiscal year 2022 audit.

Recommendation: We recommend the Board implement internal controls to provide for the review of the payroll transactions, and update employee manuals to clearly reflect the policies in place.

Views of Responsible Officials: The Authority is in agreement with the finding. Many improvements to the standard operating procedures have already been implemented in 2024, but they did not make any retroactive corrections. The recommendations presented will also improve on these new standard operating procedures even further. Many of the findings are due to the transition of management and prior lack of additional personnel to assist management, and management believes the recommended solutions will help us improve moving forward.

2024-005: Accounts Receivable Management
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Reconciliation of amounts owed to the Authority and follow up of outstanding invoices is a necessary component of effective internal control over financial reporting.

Condition: During our testing of accounts receivable we identified invoices that had been issued more than 12 months prior without payment, invoices to Carson City where payment has not been applied, and reimbursements for prior year overpayments that were recorded as a reduction of current year expense.

Cause: The Authority did not have adequate controls to reconcile accounts receivable or to follow up on the validity of long overdue accounts.

Effect: Accounts receivable and revenues may be misstated, and uncollectible invoices may not be identified.

Identification of Repeat Finding: This is a repeat finding from the fiscal year 2022 audit.

Recommendation: We recommend the Board implement internal controls to provide for the review of the receivable transactions.

Views of Responsible Officials: The Authority is in agreement with the finding. Many improvements to the standard operating procedures have already been implemented in 2024, but they did not make any retroactive corrections. The recommendations presented will also improve on these new standard operating procedures even further. Many of the findings are due to the transition of management and prior lack of additional personnel to assist management, and management believes the recommended solutions will help us improve moving forward.

Financial Statements

2023-004:

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Management does not have the staff in place to evaluate new accounting standards and implement them appropriately in the financial statements.

Status: While there were no new standards in the current year that impacted the Authority, there are new standards that will be effective in the upcoming fiscal year that the Authority will need to implement.

Draft



FlyCarsonCity.com

November 20, 2024

Carson City Airport Manager's Report Prepared by Corey Jenkins

Managers' Report

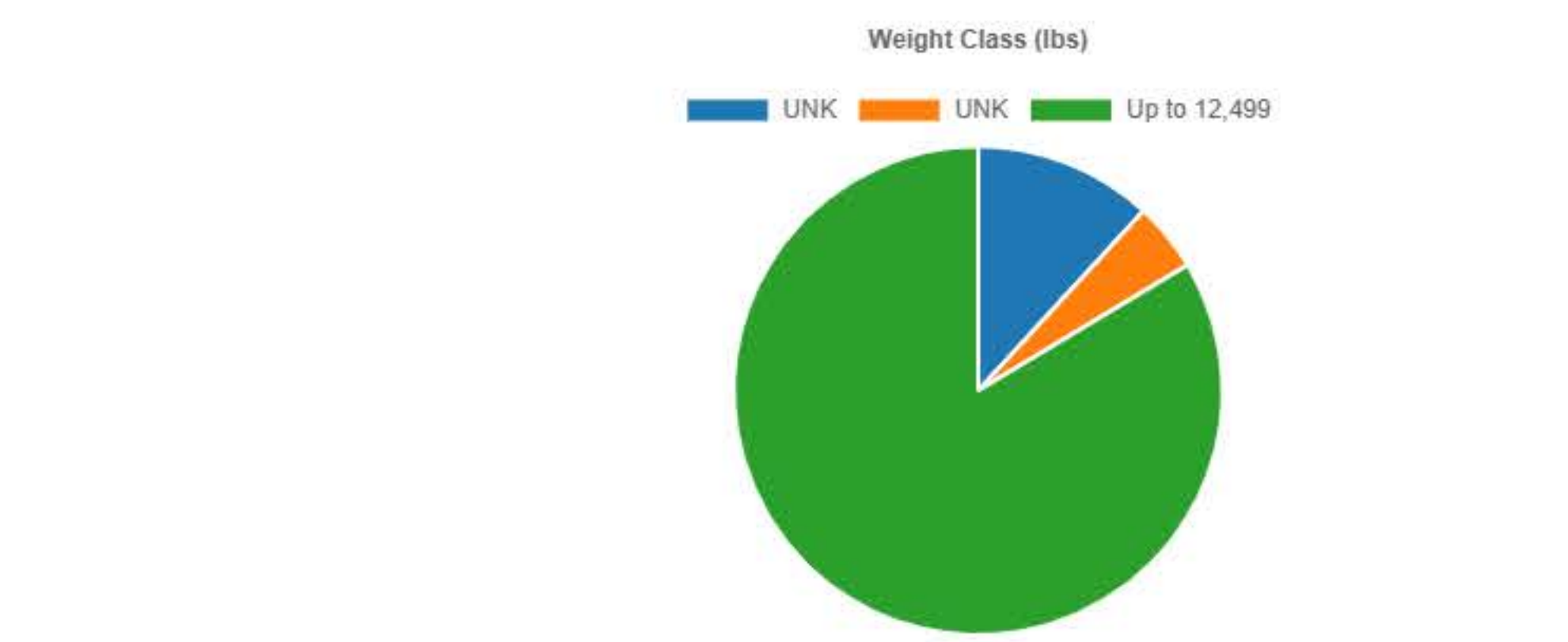
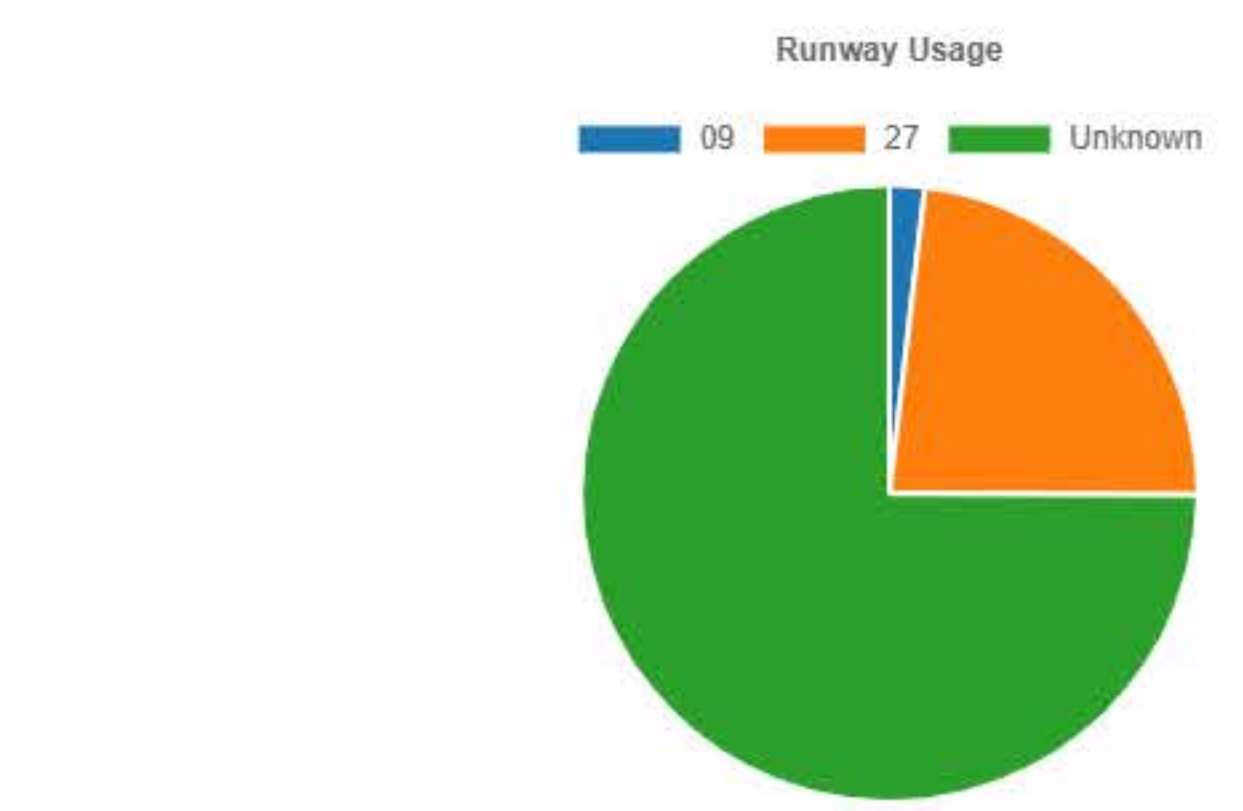
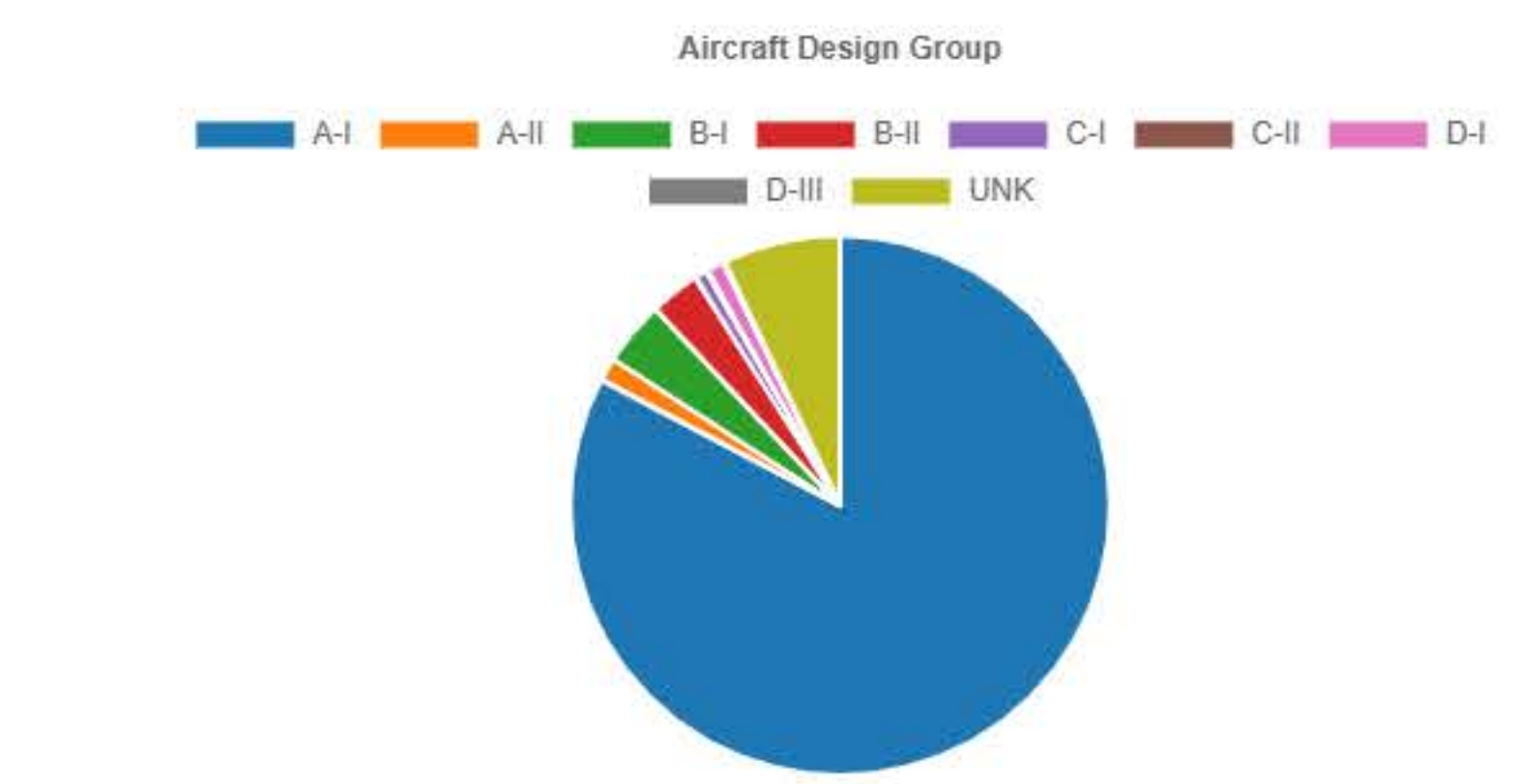
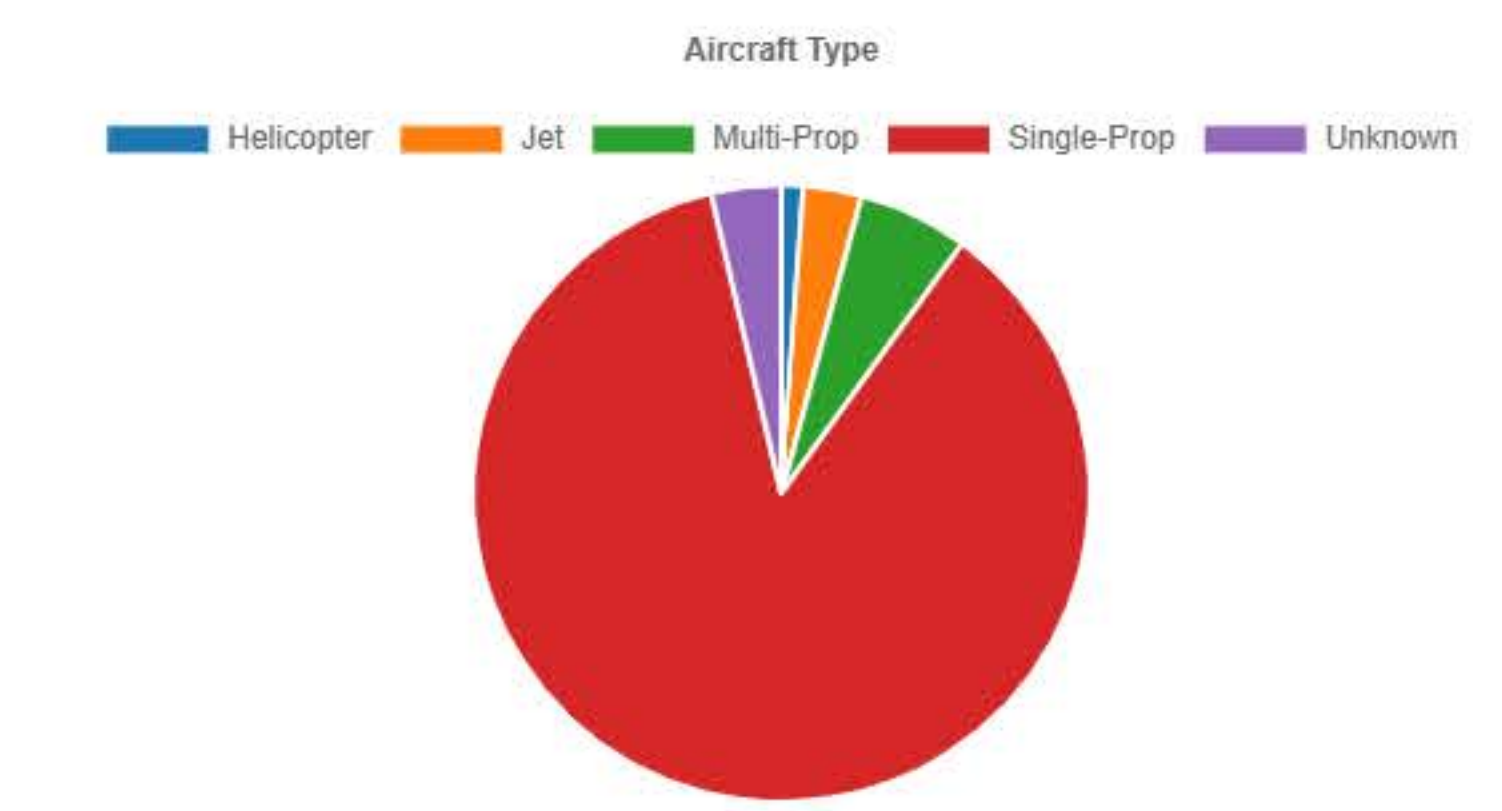
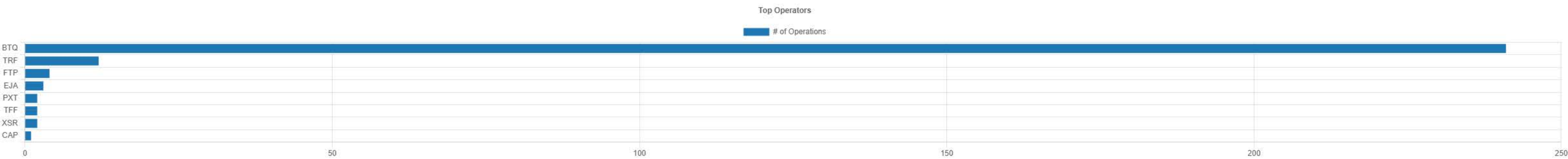
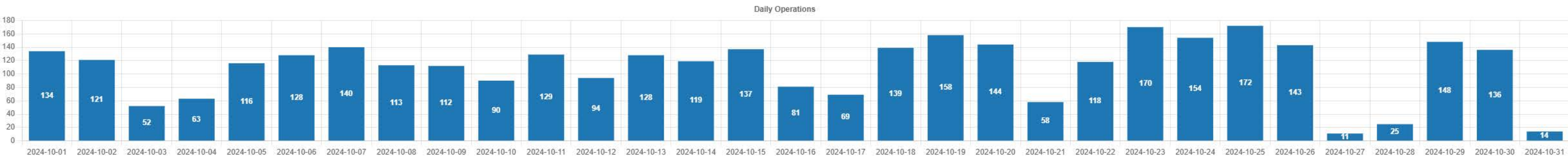
- Pavement Maintenance
 - Airport Operations and Maintenance are working on the next phase of pavement maintenance
 - Wood Rodgers is providing guidance to the Airport Operations and Maintenance Supervisor on the next steps for this project
- The utilities have been put in place across taxiway Bravo.
 - Utility Easement in process for connection
- Working with the City on updating Title 19 with the changes approved by the CCAA
 - The changes to Title 19 have been approved by the Carson City Board of Supervisors
- We have received the new Snowplow and all of the snow removal equipment is prepared for snow removal operations
- Working on a Through-The-Fence permit request east of Bravo
 - The permit request may be ready for approval at the January CCAA meeting.
- Worked with board members, members of the community, and the FAA to assist with the development of a handout with guidance on operations at non-towered
 - This project is complete, and we are printing the handout for distribution
 - Special thanks to Larry Cheek for initiating this project.
 - Congratulations to Larry Cheek on his retirement from the FAA
- A comprehensive airport lighting update report prepared by Rick Lee is attached
- At a Master Project Review meeting with the City I learned about a neighborhood being built east of the airport.
 - The neighborhood is up hill from the Airport and could potentially cause an issue due to its proximity to protected airspace.
 - I identified the risk to the developer and am in the process of executing an Avigation Easement to protect the airspace.

Fuel Flowage

Total							
	Self-Serve		Full-Service		Total Combined		% Change
Month	100LL	Jet A	100LL	Jet A	Gallons	Fuel Flowage Fee	Annual Change
January-24	5932	1389	2655	10751	20727	\$ 1,036.36	97%
February-24	6355	637	1343	13511	21847	\$ 1,092.34	12%
March-24	7206	353	2737	13374.9	23670	\$ 1,183.51	52%
April-24	9776	334	3489	8998	22598	\$ 1,129.89	5%
May-24	10401	1540	4241	28959	45141	\$ 2,257.05	57%
June-24	10481	1471	4720	12459	29132	\$ 1,456.59	9%
July-24	11100	739	5188	21112	38139	\$ 1,906.95	13%
August-24	10902	1359	4781	25886	42929	\$ 2,146.44	21%
September-24	7290	2432	4306	17146	31175	\$ 1,558.73	-17%
October-24	9702	4232	4435	18067	36436	\$ 1,821.82	46%
November-24	0	0	0	0	0	\$ -	-100%
December-24	0	0	0	0	0	\$ -	-100%

Aircraft Operations

2024 ADS-B Airport Operations				
Month	Arrivals	Departures	Total Operations	Annual Change
January-24	1457	1483	2940	32%
February-24	1295	1265	2560	-27%
March-24	1238	1242	2480	0%
April-24	4312	4312	8624	68%
May-24	4251	4261	8512	62%
June-24	2493	2481	4974	-18%
July-24	2320	2533	4853	-25%
August-24	1952	2237	4189	-20%
September-24	1457	1674	3131	-53%
October-24	1574	1842	3416	-55%
November-24	0	0	0	-100%
December-24	0	0	0	-100%
Total Annual	22349	23330	45679	-28%



CARSON CITY AIRPORT

AIRFIELD LIGHTING MAINTENANCE and UPGRADES

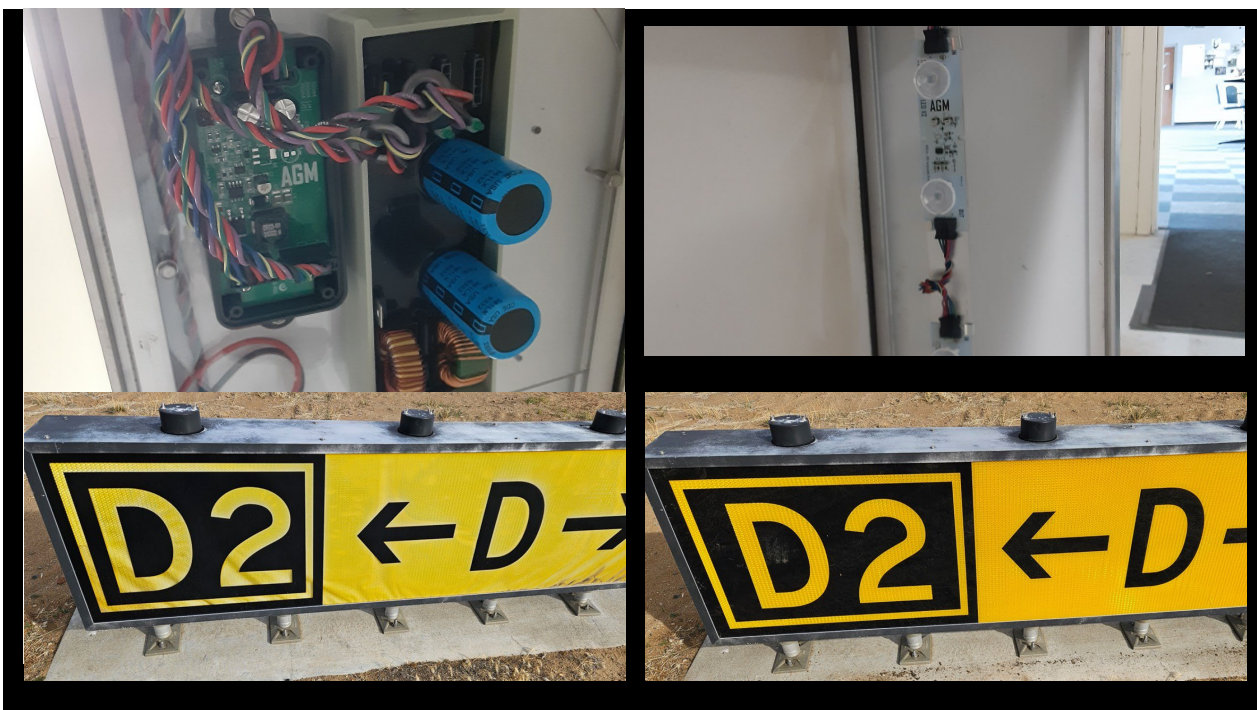
OCTOBER 2020 – NOVEMBER 2024

AIRFIELD SIGN PANELS - Did you know?? There are 45 signs on our airfield. Most have information panels on both sides.

- Over time, constant exposure to the elements causes the panels to fade and/or de-laminate.
- Beginning in September 2022, all airfield sign panels were evaluated for fading and de-lamination of vinyl letters and numbers. Evaluation results were used to identify panels in need of replacement and to prioritize the panels in the poorest condition.
- Since September 2022: 30 SIGN PANELS REPLACED
- Sign panels cost: \$800 - \$1,300 each depending on size.

AIRFIELD SIGN LIGHTING

- Most of the signs on the airfield currently use incandescent (halogen) lighting. While the bulbs are still available, the transformers and control circuit boards are not. These items are proprietary to the sign manufacturer and are not available through other sources. When these items fail, the lowest cost solution is to install an L.E.D. retrofit kit.
- For kit installation, the sign assembly is removed from the airfield and brought to the maintenance workshop. All components are removed and replaced with the L.E.D. lights, drivers and control circuit boards. These are the same components used in signs currently in production. Installation takes 2-4 hours depending on size of sign.
- 6 L.E.D. RETROFIT KITS INSTALLED - Kits cost \$600 - \$1,000 each depending on size of sign.



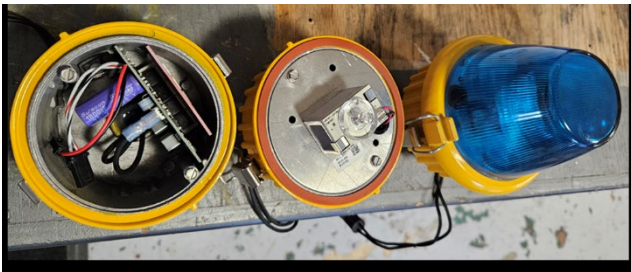
AIRFIELD LIGHTING AND BEACON

Airfield Lighting – Did you know?? There are 593 lights on our airfield

Runway edge lights use incandescent halogen bulbs. Bulbs are available and will continue to be used.

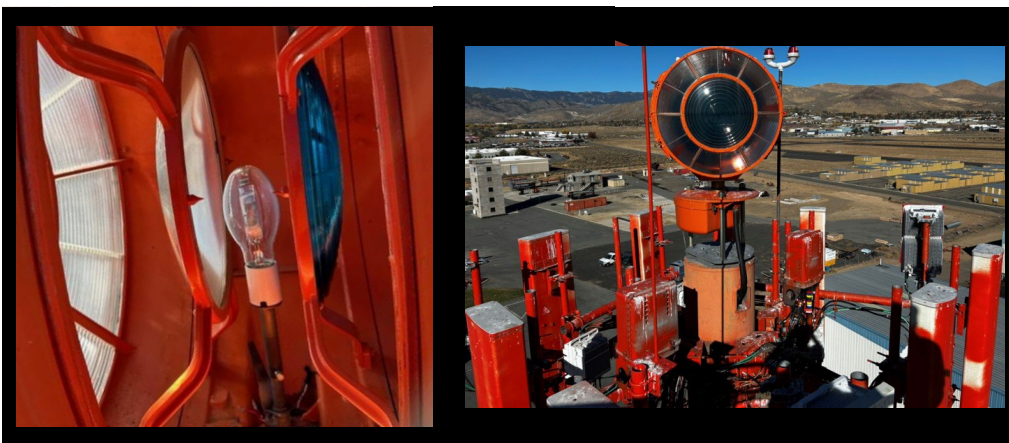
Taxiway edge lights have L.E.D. “bulbs” installed approximately 10 years ago. The bulb, driver, and circuit boards are sealed units that prevent replacing individual components. Additionally, as with the airfield sign lighting, the light assemblies are proprietary to the manufacturer, no longer in production, and are not available through other sources. When these items fail, the lowest cost solution is to install a new model L.E.D. light head assembly. The components in the new lights can be replaced and are available. To date, 140 new model edge lights have been installed. The current cost of each light head assembly is \$207.72.

The new model lights are easily identified by the flat top of the lens versus the round top on the older lights.



Airport Beacon

Prior to October 2024, maintenance and repair of the beacon was provided via an informal agreement between the airport and AT&T. When AT&T was contacted recently for assistance with the beacon being inoperative, airport staff was informed that AT&T would no longer be assisting with beacon maintenance. A local lighting contractor was hired to make needed repairs. The contractor replaced the bulb, and the beacon was returned to service. A few days later, a homeowner north of the airport reported that the beacon was shining directly into their home following repairs. Using photos of the beacon and its I.D. plate provided by the contractor, airport staff determined the model and manufacturer of the light and downloaded a service manual. The manual contained information regarding the FAA established beam angle and instructions to verify or adjust the angle as needed. The contractor was called back to the airport for follow up. It was found that a taller replacement bulb had been installed, causing the beam to shine at a lower angle than before. The correct bulb was installed, and the proper angle was verified. The homeowner called the airport the following day and reported the issue was resolved.



Carson City Airport Authority-2

Balance Sheet Comparison

As of October 31, 2024

	TOTAL		
	AS OF OCT 31, 2024	AS OF OCT 31, 2023 (PY)	CHANGE
ASSETS			
Current Assets			
Bank Accounts			
1075 LGIP-Deferred	428,888.00	406,602.46	22,285.54
1077 LGIP- General Fund	1,643,838.11	1,261,511.26	382,326.85
3099 Gen. Fund #1162	404,274.84	545,498.94	-141,224.10
3199 Petty Cash	100.00	100.00	0.00
Total Bank Accounts	\$2,477,100.95	\$2,213,712.66	\$263,388.29
Accounts Receivable			
2000 Accounts Receivable - Operating	92,898.43	165,005.11	-72,106.68
Total Accounts Receivable	\$92,898.43	\$165,005.11	\$ -72,106.68
Other Current Assets			
1499 Undeposited Funds	14,497.64	20,297.61	-5,799.97
2001 AR offset	-19,337.00	-19,337.00	0.00
2010 Due From Other Government	389,578.87	389,578.87	0.00
2010.1 Audit Adjustment to AR	-332,044.00	-332,044.00	0.00
2011 Accrued Interest Receivable	6,252.37	6,252.37	0.00
2100 Prepaid Expenses	1,000.00	1,000.00	0.00
CTE Reimbursement Funds	-22,877.50		-22,877.50
Total Other Current Assets	\$37,070.38	\$65,747.85	\$ -28,677.47
Total Current Assets	\$2,607,069.76	\$2,444,465.62	\$162,604.14
Fixed Assets			
2120 land	146,542.03	146,542.03	0.00
2125 Machinery & Equipment	750,566.73	750,566.73	0.00
2126 Fencing	911,661.46	911,661.46	0.00
2130 Vehicle	807,877.35	807,877.35	0.00
2198 Accumulated Depreciation	-466,021.36	-466,021.36	0.00
2201 Tractor	153,046.00	153,046.00	0.00
Total Fixed Assets	\$2,303,672.21	\$2,303,672.21	\$0.00
Other Assets			
2300 Provided for LT Obligations	271,786.33	271,786.33	0.00
2305 NPV of Airport Leases	7,242,012.00	7,242,012.00	0.00
2810 Pension Requirement	415,612.04	415,612.04	0.00
Total Other Assets	\$7,929,410.37	\$7,929,410.37	\$0.00
TOTAL ASSETS	\$12,840,152.34	\$12,677,548.20	\$162,604.14

Carson City Airport Authority-2

Balance Sheet Comparison

As of October 31, 2024

	TOTAL		
	AS OF OCT 31, 2024	AS OF OCT 31, 2023 (PY)	CHANGE
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
3000 Accounts Payable	8,942.03	61,861.49	-52,919.46
Total Accounts Payable	\$8,942.03	\$61,861.49	\$ -52,919.46
Credit Cards			
6321 Home Depot	454.24	377.17	77.07
6328 NSB Credit Card Rick 9053	1,693.47	1,228.37	465.10
6329 NSB CC Corey 9061	407.36	999.02	-591.66
Total Credit Cards	\$2,555.07	\$2,604.56	\$ -49.49
Other Current Liabilities			
2101 Payroll Liability	3,879.08	1,516.72	2,362.36
2102 Accrued Compensated Absences	8,917.28	8,917.28	0.00
2115 Accrued Expenses	21,000.00	21,000.00	0.00
3030 Audit Adj to AP	4,102.00	4,102.00	0.00
3090 Pension Requirement-Liab	360,736.00	360,736.00	0.00
3271 Current Portion of LTD	12,734.00	12,734.00	0.00
Total Other Current Liabilities	\$411,368.36	\$409,006.00	\$2,362.36
Total Current Liabilities	\$422,865.46	\$473,472.05	\$ -50,606.59
Long-Term Liabilities			
3085 Net Pension Liability	447,813.00	447,813.00	0.00
3100 Leases Advances	26,556.00	26,556.00	0.00
3110 Deferred Inflows- Leases	6,872,722.00	6,872,722.00	0.00
3200 Mayes-Lease Transactions	302,549.83	308,789.83	-6,240.00
3250 Gonzalez Deferred Lease	232,855.89	232,855.89	0.00
6325 Tractor US Bank	-13,243.00	0.00	-13,243.00
Total Long-Term Liabilities	\$7,869,253.72	\$7,888,736.72	\$ -19,483.00
Total Liabilities	\$8,292,119.18	\$8,362,208.77	\$ -70,089.59
Equity			
4200 Fund Balance	2,548,313.52	2,548,313.52	0.00
4999 Retained Earnings	1,976,873.89	1,711,686.00	265,187.89
4999.1 GWFS to Fund FS adjustments	-38,223.00	-38,223.00	0.00
Net Income	61,068.75	93,562.91	-32,494.16
Total Equity	\$4,548,033.16	\$4,315,339.43	\$232,693.73
TOTAL LIABILITIES AND EQUITY	\$12,840,152.34	\$12,677,548.20	\$162,604.14

Carson City Airport Authority-2

Budget vs. Actuals: CCAA Budget 24/25 P&L - FY25 P&L

July 2024 - June 2025

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
5010 Real/Personal Property Tax				
5010.1 Aircraft	79,742.95	210,000.00	-130,257.05	37.97 %
5010.2 Building	65,244.20	155,000.00	-89,755.80	42.09 %
Total 5010 Real/Personal Property Tax	144,987.15	365,000.00	-220,012.85	39.72 %
5050 AIRPORT LEASES				
5050H Hanger Lease	30,000.00	72,000.00	-42,000.00	41.67 %
5051 Land Leases	108,495.80	300,000.00	-191,504.20	36.17 %
5052 Tower Leases	30,363.62	75,000.00	-44,636.38	40.48 %
5053 Lease-Mayes	2,600.00	6,240.00	-3,640.00	41.67 %
5054 Through The Fence		-8,000.00	8,000.00	
Total 5050 AIRPORT LEASES	171,459.42	445,240.00	-273,780.58	38.51 %
5150 Tie Down Fees	3,785.00	8,000.00	-4,215.00	47.31 %
5151 Gate Card Fees	130.00	2,000.00	-1,870.00	6.50 %
5155 Parking Fees	379.21	300.00	79.21	126.40 %
5200 Committed-Fuel Flowage Fees	9,217.23	20,000.00	-10,782.77	46.09 %
5201 Committed-Jet Fuel Tax	967.71	4,000.00	-3,032.29	24.19 %
5250 Through the Fence Fees		8,000.00	-8,000.00	
5300 Class II FBO Fees	2,250.00	10,000.00	-7,750.00	22.50 %
5402 Open House Income	7,700.00	10,000.00	-2,300.00	77.00 %
5404 Rock Materials Sales		70,000.00	-70,000.00	
5450 Reimbursements		35,000.00	-35,000.00	
5500 Interest Income	36,371.69	380,000.00	-343,628.31	9.57 %
5915 Sales	30,085.70		30,085.70	
5998 Terminal Rental		500.00	-500.00	
Total Income	\$407,333.11	\$1,358,040.00	\$ - 950,706.89	29.99 %
GROSS PROFIT	\$407,333.11	\$1,358,040.00	\$ - 950,706.89	29.99 %
Expenses				
6019 Charitable Contribution	2,420.00	2,000.00	420.00	121.00 %
6169 Taxes & Licenses		300.00	-300.00	
6300 Operating Expenses				
6130 Dues	370.00	2,300.00	-1,930.00	16.09 %
6135 Memberships		500.00	-500.00	
6137 Conferences	695.00	4,500.00	-3,805.00	15.44 %
6170 SWAAAE BOD Travel		850.00	-850.00	
6190 Office Expenche-PC Software	452.86	2,000.00	-1,547.14	22.64 %
6200 Office Expenses -PC Hardware	5.25	500.00	-494.75	1.05 %
6211 Meals and Entertainment	454.44	750.00	-295.56	60.59 %
6218 Marketing and Website	798.95	2,500.00	-1,701.05	31.96 %
6280 Open House Expense	5,691.21	12,000.00	-6,308.79	47.43 %

Carson City Airport Authority-2

Budget vs. Actuals: CCAA Budget 24/25 P&L - FY25 P&L

July 2024 - June 2025

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
6369 Travel	1,229.76	500.00	729.76	245.95 %
Total 6300 Operating Expenses	9,697.47	26,400.00	-16,702.53	36.73 %
6301 Utilities				
6302 Phone & Internet	2,540.71	5,000.00	-2,459.29	50.81 %
6303 Electric	4,104.58	19,000.00	-14,895.42	21.60 %
6304 Gas	60.48	1,000.00	-939.52	6.05 %
6305 Water	890.48	2,300.00	-1,409.52	38.72 %
6306 Carson City Landfill	669.24	1,200.00	-530.76	55.77 %
Total 6301 Utilities	8,265.49	28,500.00	-20,234.51	29.00 %
6308 Office Expenses and Supplies	879.42	1,500.00	-620.58	58.63 %
6309 Legal	25,792.50	100,000.00	-74,207.50	25.79 %
6310 Security	2,536.95	4,000.00	-1,463.05	63.42 %
6311 CCAA printing		500.00	-500.00	
6312 Data Storage	180.90	550.00	-369.10	32.89 %
6313 Insurance	100.00	13,000.00	-12,900.00	0.77 %
6314 Auditing		42,000.00	-42,000.00	
6314A Accounting/Bullis	11,436.00	16,000.00	-4,564.00	71.48 %
6315 Contract Services/Appraisals	7,000.00	14,000.00	-7,000.00	50.00 %
6316 Bank Charges/Square Chgs	323.84	400.00	-76.16	80.96 %
6317 Airport Equipment Maintenance	6,313.63	15,000.00	-8,686.37	42.09 %
6317.5 AWOS III Service Charges	5,936.00	7,000.00	-1,064.00	84.80 %
6318 Facility Maintenance	8,612.14	8,000.00	612.14	107.65 %
6319 Airfield Maintenance	7,560.73	40,000.00	-32,439.27	18.90 %
6319.5 Gate Maintenance		2,000.00	-2,000.00	
6319.51 Depreciation expense		140,000.00	-140,000.00	
6350 Labor Expense				
6351 Salaries	98,708.71	285,000.00	-186,291.29	34.63 %
6351.5 Overtime Budget (Airfield)		2,500.00	-2,500.00	
6352 Healthcare	32,804.40	56,250.00	-23,445.60	58.32 %
6353 PERS Retirement Contribution	28,747.60	82,000.00	-53,252.40	35.06 %
6354 Nevada Payroll	519.00	1,200.00	-681.00	43.25 %
6355 Workers Compensation	4,061.87	5,200.00	-1,138.13	78.11 %
6356 State Unemployment Contri		2,800.00	-2,800.00	
6363 Voya/Deferred Comp	350.00		350.00	
6476 Uniforms	515.30	1,500.00	-984.70	34.35 %
Total 6350 Labor Expense	165,706.88	436,450.00	-270,743.12	37.97 %
QuickBooks Payments Fees	202.59		202.59	
Total Expenses	\$262,964.54	\$897,600.00	\$ - 634,635.46	29.30 %
NET OPERATING INCOME	\$144,368.57	\$460,440.00	\$ - 316,071.43	31.35 %
Other Income				

Carson City Airport Authority-2

Budget vs. Actuals: CCAA Budget 24/25 P&L - FY25 P&L

July 2024 - June 2025

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
FAA AIP Activity Revenue				
6045 Extend 9/27				
6045.1 Extend 9/27 Revenue		500,000.00	-500,000.00	
6045.2 Extend 9/27 Expense		-533,333.00	533,333.00	
Total 6045 Extend 9/27		-33,333.00	33,333.00	
Total FAA AIP Activity Revenue		-33,333.00	33,333.00	
FAA AIP Grant Revenue				
6035 AIP #36 Construct SRE Building				
6035.1 6035 AIP #36 Construct SRE Building Revenue		840,625.00	-840,625.00	
6035.2 6035 AIP #36 Construct SRE Building Expense		-750,000.00	750,000.00	
Total 6035 AIP #36 Construct SRE Building		90,625.00	-90,625.00	
6036 AIP #37 Acquire Snow Removal Equipment				
6036.1 AIP #37 Acquire Snow Removal Equipment Revenue		216,000.00	-216,000.00	
6036.2 AIP #37 Acquire Snow Removal Equipment Expense	-5,272.50	-216,000.00	210,727.50	2.44 %
Total 6036 AIP #37 Acquire Snow Removal Equipment	-5,272.50	0.00	-5,272.50	
6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF				
6042.1 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Revenue	3,221.16		3,221.16	
6042.2 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Expense	-3,435.90		-3,435.90	
Total 6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF	-214.74		-214.74	
6044 AIP #44 SRE Construct Auxiliary Building				
6044.1 6044 AIP #44 SRE Construct Auxiliary Building Revenue	2,054.53		2,054.53	
6044.2 AIP #44 SRE Construct Auxiliary Building Expense	-5,705.20		-5,705.20	
Total 6044 AIP #44 SRE Construct Auxiliary Building	-3,650.67		-3,650.67	
6046 AIP #45 Drainage Improvements Design				
6046.1 AIP #45 Drainage Improvements Design Revenue		140,625.00	-140,625.00	
6046.2 AIP #45 Drainage Improvements Design Expense		-150,000.00	150,000.00	
Total 6046 AIP #45 Drainage Improvements Design		-9,375.00	9,375.00	
Total FAA AIP Grant Revenue	-9,137.91	81,250.00	-90,387.91	-11.25 %
Total Other Income	\$ -9,137.91	\$47,917.00	\$ -57,054.91	-19.07 %
Other Expenses				
CCAA Funded Capital Projects				
6400 Capital Project				
6419 Rebuild Perimeter Road (Design)		120,000.00	-120,000.00	
Total 6400 Capital Project		120,000.00	-120,000.00	
6412 Terminal Entrance Hardscape		80,000.00	-80,000.00	
6414 Terminal Building Architectural Renderings	27,181.40		27,181.40	
Total CCAA Funded Capital Projects	27,181.40	200,000.00	-172,818.60	13.59 %
Total Other Expenses	\$27,181.40	\$200,000.00	\$ -172,818.60	13.59 %

Carson City Airport Authority-2

Budget vs. Actuals: CCAA Budget 24/25 P&L - FY25 P&L

July 2024 - June 2025

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
NET OTHER INCOME	\$ - 36,319.31	\$ -152,083.00	\$115,763.69	23.88 %
NET INCOME	\$108,049.26	\$308,357.00	\$ - 200,307.74	35.04 %

Carson City Airport Authority-2

Profit and Loss Comparison

July - October, 2024

	TOTAL		CHANGE
	JUL - OCT, 2024	JUL - OCT, 2023 (PY)	
Income			
5010 Real/Personal Property Tax			
5010.1 Aircraft	63,794.36	63,794.36	0.00
5010.2 Building	52,195.36	52,195.36	0.00
Total 5010 Real/Personal Property Tax	115,989.72	115,989.72	0.00
5050 AIRPORT LEASES			
5050H Hanger Lease	24,000.00	24,000.00	0.00
5051 Land Leases	86,796.64	83,515.74	3,280.90
5052 Tower Leases	24,286.48	24,579.12	-292.64
5053 Lease-Mayes	2,080.00	2,080.00	0.00
Total 5050 AIRPORT LEASES	137,163.12	134,174.86	2,988.26
5150 Tie Down Fees	3,017.00	3,472.00	-455.00
5151 Gate Card Fees	120.00	1,305.00	-1,185.00
5155 Parking Fees	379.21	224.91	154.30
5200 Committed-Fuel Flowage Fees	8,520.53	6,816.90	1,703.63
5201 Committed-Jet Fuel Tax	967.71	667.96	299.75
5300 Class II FBO Fees	1,800.00	3,600.00	-1,800.00
5402 Open House Income	7,700.00	2,500.00	5,200.00
5404 Rock Materials Sales		28,849.73	-28,849.73
5500 Interest Income	36,371.69	25,889.92	10,481.77
5915 Sales	30,085.70		30,085.70
Total Income	\$342,114.68	\$323,491.00	\$18,623.68
GROSS PROFIT	\$342,114.68	\$323,491.00	\$18,623.68
Expenses			
6019 Charitable Contribution	2,420.00	1,283.75	1,136.25
6165 Job Supplies		48.14	-48.14
6169 Taxes & Licenses		280.00	-280.00
6300 Operating Expenses			
6130 Dues	370.00	1,210.00	-840.00
6135 Memberships		95.00	-95.00
6137 Conferences	695.00		695.00
6190 Office Expenche-PC Software	239.88	414.65	-174.77
6200 Office Expenses -PC Hardware	5.25		5.25
6211 Meals and Entertainment	454.44	337.51	116.93
6218 Marketing and Website	798.95	930.50	-131.55
6280 Open House Expense	5,567.17	818.18	4,748.99
6369 Travel	1,229.76		1,229.76
Total 6300 Operating Expenses	9,360.45	3,805.84	5,554.61

Carson City Airport Authority-2

Profit and Loss Comparison

July - October, 2024

	TOTAL		
	JUL - OCT, 2024	JUL - OCT, 2023 (PY)	CHANGE
6301 Utilities			
6238 Stormwater Discharge Permit		4.06	-4.06
6302 Phone & Internet	2,470.71	1,286.74	1,183.97
6303 Electric	4,104.58	7,422.39	-3,317.81
6304 Gas	60.48	124.88	-64.40
6305 Water	890.48	872.07	18.41
6306 Carson City Landfill	669.24	321.55	347.69
Total 6301 Utilities	8,195.49	10,031.69	-1,836.20
6308 Office Expenses and Supplies	879.42	316.71	562.71
6309 Legal	12,112.50	24,430.00	-12,317.50
6310 Security	2,423.96	1,315.96	1,108.00
6311 CCAA printing		428.08	-428.08
6312 Data Storage	115.90	193.20	-77.30
6313 Insurance	100.00	165.00	-65.00
6314A Accounting/Bullis	11,436.00	6,141.00	5,295.00
6314B Accounting/Tmcdbooks		4,510.00	-4,510.00
6315 Contract Services/Appraisals	7,000.00		7,000.00
6316 Bank Charges/Square Chgs	323.84	89.90	233.94
6317 Airport Equipment Maintenance	6,313.63	3,028.73	3,284.90
6317.5 AWOS III Service Charges	5,936.00	5,820.00	116.00
6318 Facility Maintenance	8,612.14	2,336.12	6,276.02
6319 Airfield Maintenance	7,560.73	17,637.55	-10,076.82
6319.5 Gate Maintenance		235.00	-235.00
6350 Labor Expense			
6351 Salaries	98,708.71	52,057.28	46,651.43
6352 Healthcare	28,873.29	12,547.35	16,325.94
6353 PERS Retirement Contribution	28,747.60	22,019.55	6,728.05
6354 Nevada Payroll	519.00	378.50	140.50
6355 Workers Compensation	4,061.87	878.27	3,183.60
6363 Voya/Deferred Comp	350.00		350.00
6476 Uniforms	491.89	379.60	112.29
Total 6350 Labor Expense	161,752.36	88,260.55	73,491.81
6600 Bad Debt Transaction		600.00	-600.00
QuickBooks Payments Fees	184.20		184.20
Total Expenses	\$244,726.62	\$170,957.22	\$73,769.40
NET OPERATING INCOME	\$97,388.06	\$152,533.78	\$ -55,145.72
Other Income			
5001 NDOT Grant Reimbursement		19,722.00	-19,722.00

Carson City Airport Authority-2

Profit and Loss Comparison

July - October, 2024

	TOTAL		
	JUL - OCT, 2024	JUL - OCT, 2023 (PY)	CHANGE
FAA AIP Grant Revenue			
6035 AIP #36 Construct SRE Building			
6035.2 6035 AIP #36 Construct SRE Building Expense		-12,470.00	12,470.00
Total 6035 AIP #36 Construct SRE Building		-12,470.00	12,470.00
6036 AIP #37 Acquire Snow Removal Equipment		135.00	-135.00
6036.2 AIP #37 Acquire Snow Removal Equipment Expense	-5,272.50	-135.00	-5,137.50
Total 6036 AIP #37 Acquire Snow Removal Equipment	-5,272.50	0.00	-5,272.50
6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF			
6041.1 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF Rev		50,453.43	-50,453.43
6041.2 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF Expense (deleted)		-48,825.00	48,825.00
Total 6041 AIP #42 Approach Lighting System Phase 2 PAPI and MALSF		1,628.43	-1,628.43
6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF			
6042.1 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Revenue	3,221.16	44,712.19	-41,491.03
6042.2 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF Expense	-3,435.90	-47,930.50	44,494.60
Total 6042 AIP #43 Approach Lighting System Phase 3 PAPI and MALSF	-214.74	-3,218.31	3,003.57
6044 AIP #44 SRE Construct Auxiliary Building			
6044.1 6044 AIP #44 SRE Construct Auxiliary Building Revenue	2,054.53		2,054.53
6044.2 AIP #44 SRE Construct Auxiliary Building Expense	-5,705.20	-37,235.50	31,530.30
Total 6044 AIP #44 SRE Construct Auxiliary Building	-3,650.67	-37,235.50	33,584.83
Total FAA AIP Grant Revenue	-9,137.91	-51,295.38	42,157.47
Total Other Income	\$ -9,137.91	\$ -31,573.38	\$22,435.47
Other Expenses			
CCAA Funded Capital Projects			
6400 Capital Project			
6418 FOD Boss Purchase		6,949.00	-6,949.00
Total 6400 Capital Project		6,949.00	-6,949.00
6414 Terminal Building Architectural Renderings	27,181.40	12,892.25	14,289.15
6416 New Terminal Door Improvements with Access Control		7,556.24	-7,556.24
Total CCAA Funded Capital Projects	27,181.40	27,397.49	-216.09
Total Other Expenses	\$27,181.40	\$27,397.49	\$ -216.09
NET OTHER INCOME	\$ -36,319.31	\$ -58,970.87	\$22,651.56
NET INCOME	\$61,068.75	\$93,562.91	\$ -32,494.16