



CCAA BOARD MEMO

Agenda Item: G-1

BOARD MEMO 2025-09

Meeting Date: May 21, 2025

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Approval of Change of Control of Tri-Motor, LLC from Elizabeth Seibold to Scott Seibold. (S.Tackes, C. Jenkins).

Staff Summary: Tri-Motor, LLC holds a ground lease at Carson City Airport. Per the lease agreement, a transfer of corporate interests exceeding 25% constitutes an assignment, and no assignment or subletting is permitted without the prior consent of the Landlord, the Carson City Airport Authority ("CCAA"). Elizabeth Seibold has requested to transfer full ownership of Tri-Motor, LLC to her son, Scott Seibold, and both parties have confirmed the request via email. Staff recommend the CCAA Final grant consent for the transfer of ownership of Tri-Motor, LLC with Scott Seibold as the new owner.

Agenda Action: Consent approval

Time Requested: 0 Minutes

Proposed Motion

I move to approve the Consent Agenda.

CCAA'S Strategic Goal

Stability of leaseholds and support economic activity in the region.

Previous Action and Executive Summary

In short, Elizabeth Seibold, owner of Tri-Motor, LLC., is transferring her ownership to her son, Scott Seibold. The lease requires CCAA approval for any change in ownership of the Tenant of more than 25%.

This lease was part of an original lease issued by the CCAA (and approved by the City) to Corrao Incorporated and JE Pistons in 1994, recorded as Document No. 168289.

In 2007, the CCAA and the City approved a new lease by separating out the part subleased by JE Pistons (owned by Wayne Brooks) and created a new lease to Wayne Brooks, recorded as Document No. 239343.

In 2011, the CCAA and the City approved an assignment of the Brooks lease to Tri-Motor LLC, recorded as Document No. 414361.

In 2017, the CCAA and the City approved an extension to the lease and updated the lease rates to then current appraisal levels, recorded as Document No. 471848.

In 2020, the CCAA and the City approved a lease lot adjustment to the Tri-Motor lease, recorded as Document No. 507510.

Each of the prior changes involved changes to the lease. The current request makes no changes to the lease. The tenant, Tri-Motor LLC, is not changing. The lease does require CCAA approval for any change of ownership greater than 25%. Thus CCAA approval is needed. As there is no change to the lease, City approval is not required under NRS 844.

Staff recommends approval.

Financial Information

Is there a fiscal impact?

☒ No ☐ Yes

If yes, account name/number & amount: N/A

General Fund: no change.

Is it currently budgeted?

Yes, no change.

Alternatives

Do not approve the change in ownership. Give alternative direction to Airport Staff.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded)

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 20th day of October, 1994, between the Carson City Airport Authority (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and Corrao Incorporated of Reno and J.E. Pistons (hereinafter jointly as Tenant), whose address is P.O. Box 12907, Reno, Nevada 89510.

WITNESSETH:

WHEREAS, the Tenant desires to lease from Landlord certain ground space for construction of hangars pursuant to the provisions of Title 19 of the Carson City Municipal Code; and

WHEREAS, Landlord desires to lease Tenant ground space consistent with uses desired by Landlord and to provide monetary support to the Carson City Airport; and

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport in Exhibit A (^{#35}premises), and the appurtenant rights included in Paragraph 8.

2. TERM. The term shall be fifty (50) years and shall commence upon approval of the Carson City Board of Supervisors as set forth by the date of signature.

3. RENT. Tenant shall pay to Landlord:

A. \$6,732.54 dollars per year; calculated as \$0.102 per square foot per year for areas 1A and 1B, and \$0.02 for the clear area, or \$0.075 per square foot per year for the entire leased area (90,168 sq. ft.) Rent shall be payable monthly with the first year's payment due in advance and with payments thereafter due on the first day of each month.

B. Fuel flowage fees pursuant to Paragraph 8 of this Lease, such fees to be paid at the time of each delivery of fuel to Tenant's fuel storage facility.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 1995, 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. LESSOR shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 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 1996 is 155.0 (1982-1984=100) and for December 1994 is 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

5. IMPROVEMENTS. Tenant shall meet the construction schedule set forth on Exhibit B which shall, at a minimum, be completed on the following schedule:

- Phase 1 - within 90 days of the effective lease date.
- Phase 2 - within 150 days of the effective lease date.
- Phase 3 - within 1 years of the effective lease date.

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

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

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

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

D. Filing a petition of voluntary or involuntary bankruptcy.

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

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

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

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

A. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as

Landlord does not terminate tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

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

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

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

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

Landlord incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

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

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily for the storage of aircraft; machinery, parts and tools associated with the stored aircraft; office space associated with the stored aircraft, and is expressly prohibited from conducting any activity at the Carson City Airport other than that provided by this Agreement or as may be approved by Landlord. Tenant is, by this lease, an authorized FBO for the inside storage of aircraft, and shall comply with the provisions of Title 19 applicable to the public provision of aircraft storage for multiple aircraft hangars. Tenant shall not perform any salvage, rehabilitation, maintenance, construction or reconstruction, commercial, or industrial operations for any aeronautical uses, vehicles, and equipment except for aircraft owned by Tenant. Except as specified in this Lease, LESSEE is prohibited from any fixed base operations which are

revenue producing in or on or from Tenant's facility. Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses. Landlord agrees that Tenant will be the sole Tenant and occupant of the leasehold under the terms of this lease Agreement. Tenant may construct, upon Landlord approval and other applicable governmental approvals, a fuel storage facility for Tenant's own use only. For all fuel so stored, Tenant shall pay Landlord a fuel flowage fee designated in Title 19 of the Carson City Municipal Code applicable to all owners of fuel storage facilities, except those which are limited by leases or contracts entered into by Carson City prior to the creation of the Carson City Airport Authority (July 5, 1989).

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

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

D. Air Space and Subsurface Rights. This lease confers no rights to the subsurface of the land more than five (5) feet below the ground level of the

premises or to airspace more than ten (10) feet above the top of the roof of the building or buildings that is a part of the premises. All exemptions or applications must have the prior approval of Landlord.

E. Federal Requirements.

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

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

3. Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of

Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulation may be amended.

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

5. Noncompliance with Provision 4 above shall constitute a material breach of this Agreement and in the event of such noncompliance, the Landlord shall have the right to terminate this lease Agreement without liability or at the election of the Landlord or the United States; either or both governments shall have the right to judicially enforce these provisions.

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

7. The Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be

excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Tenant assures that it will require that its covered suborganization provide assurance to the Tenant that they similarly will require assurance from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.

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

9. The Landlord reserves the right, but shall not be obligated to the Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

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

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

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

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

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

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

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

9. ASSIGNMENT AND SUBLEASING. Tenant shall have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

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

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

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

10. INSURANCE AND BONDING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall construct improvements in accordance with Exhibit B and shall remove at his cost all buildings and

improvements upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on termination 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.

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

16. 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 Carson City Airport Authority for consideration.

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

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

Landlord and the Carson City Sheriff's Office shall have complete dominion over the premises herein during the term of this Lease for the purpose of, and to the extent necessary,

to maintain law, order, and safety, and has the authority and the right to deny access to the Carson Airport by any person who fails to obey all relevant laws, rules, and regulations.

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

19. ADDITIONAL CONDITIONS. Tenant shall pay a \$15,000 utility hookup fee, in advance, to enable Landlord to construct an utility infrastructure adjacent to the leased premises for Tenant's and Landlord's use. Tenant's obligation to build shall be extended, at Tenant's option, until Landlord has constructed the utilities adjacent to Tenant's leased premises and capable of Tenant's use. Tenant shall be responsible for any utility charges assessed by the utility companies. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A. Unless otherwise provided, all construction materials, appearance, and building size shall be completed as represented in the bid submissions. The building face on Arrowhead Road shall be constructed of precast concrete.

DATED this 6 day of Oct., 1994.

TENANT

CORRAO INCORPORATED OF RENO



LUDD CORRAO, President

LUD

LANDLORD


CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA



STEVEN E. TACKES, CHAIRMAN

J.E. PISTONS


ATTEST:


WAYNE BROOKS, President


NEIL WEAVER, TREASURER, CCAA

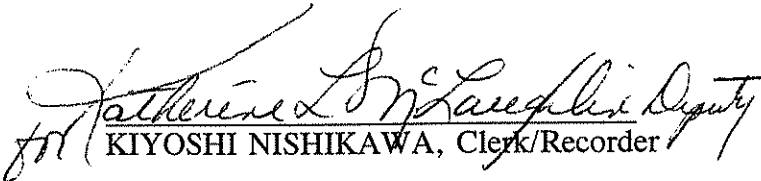
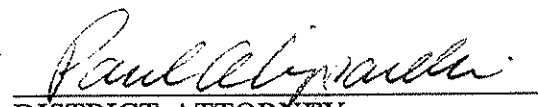
CARSON CITY

Approved by the Board of Supervisors this 20th day of October, 1994


MARV TEXIERA, Mayor

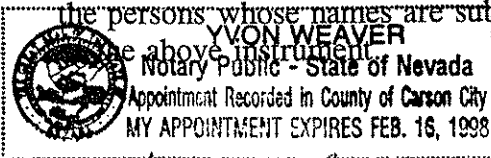
ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

 
KATHERINE MCLAUGHLIN, Deputy Clerk/Recorder DISTRICT ATTORNEY

On this ___ day of October, 1994, Lud Corrao and Wayne Brooks personally appeared before me, a Notary Public for the State of Nevada, personally known or proved to me to be

the persons whose names are subscribed to the above instrument who acknowledged execution



This instrument was acknowledged before me on Oct. 20, 1994.


NOTARY PUBLIC (SEAL)

on this 6th day of Oct, 1994 lud Corrao and Wayne Brooks personally known by me appeared before me and signed this document.

10/6/94 Rhonda Gayler
Rhonda Gayler

000168289

LEGAL DESCRIPTION

Parcel 35, Lease No. _____

All that certain parcel of land situate in the SE 1/4 of Section 33, T. 16 N., R. 20 E., M.D.M., Carson City, Nevada. Said parcel being more particularly described as follows:

COMMENCING at the SE corner of said Section 33;

THENCE, N 26°38'22" W, a distance of 208.36 feet to the **TRUE POINT OF BEGINNING**;

THENCE, N 89°26'31" W, a distance of 434.30 feet;

THENCE, N 00°44'54" E, a distance of 197.72 feet to the beginning of a non-tangent curve to the right, the center of which bears S 12°17'15" E;

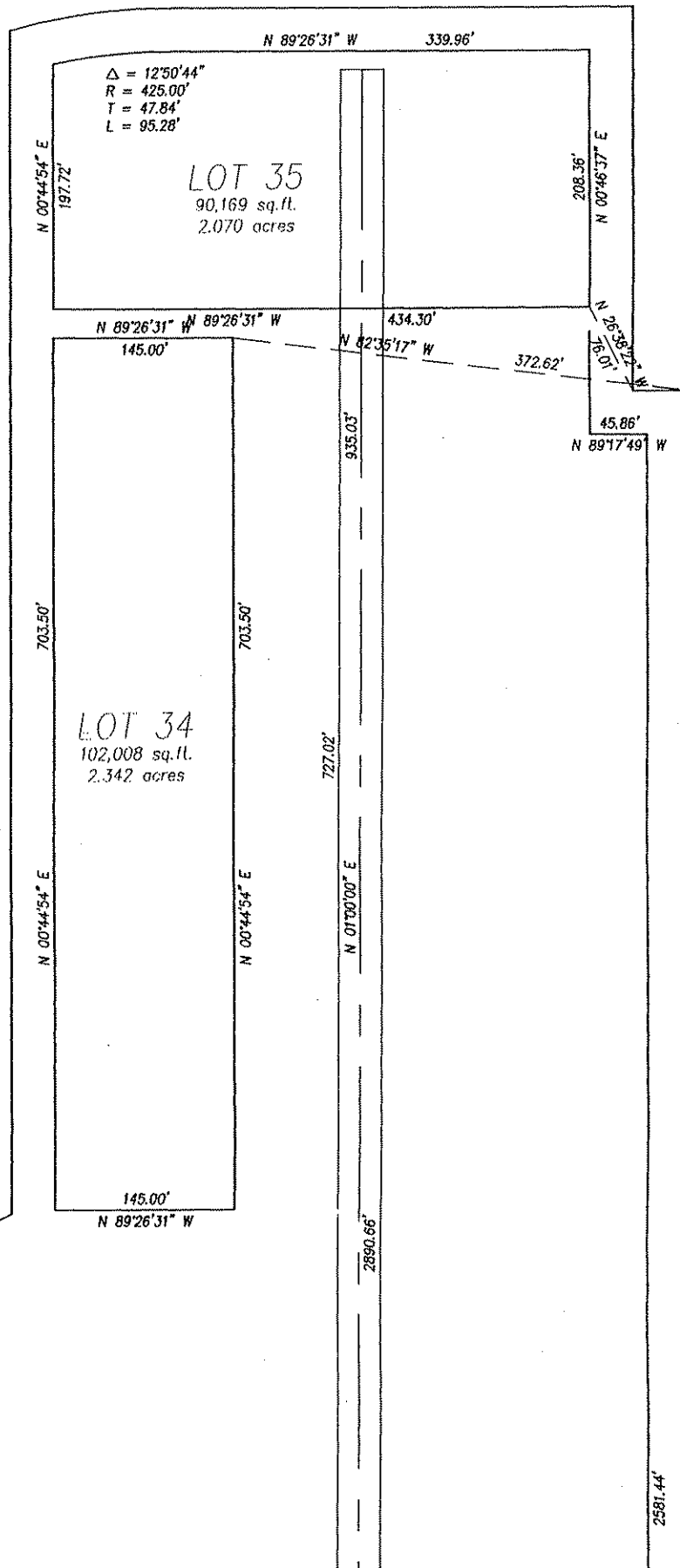
THENCE, 95.28 feet along the arc of a 425.00 foot radius curve, through a central angle of 12°50'44";

THENCE, S 89°26'31" E, a distance of 339.96 feet;

THENCE, S 01°00'00" W, a distance of 208.36 feet to the **POINT OF BEGINNING**.

Containing 90,169 square feet, more or less.

Prepared by: Lumos & Associates, Inc.
800 East College Parkway
Carson City, Nevada



000168289

EXHIBIT B

CONSTRUCTION EXHIBITS

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

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

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

1. CONSTRUCTION ON PREMISES. Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgements, 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. Phase I - All plans completed and submitted to LESSOR and governmental offices for approval.
2. Phase II - All permits obtained for construction.
3. Phase III - All construction completed.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth in Phases I, II, and III above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, property within the parcel as identified in Exhibit A.

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.

RECORDED
CARSON CITY CLERK TO
THE BOARD
'94 OCT 21 P1:01

000168289

NIC RB

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 30th day of March 1997, between the Carson City Airport Authority (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and Wayne Brooks (hereinafter referred to as Brooks or Tenant), whose address is 15312 Connector Road, Huntington Beach, CA92649.

WITNESSETH:

WHEREAS, the Brooks is the principal of J.E. Pistons and currently leases from Landlord certain ground space for Brooks's hangar and ramp area pursuant to a lease recorded October 21, 1994, as Document No. 000168289, which lease also includes ground space for a hangar and ramp area held by Corrao Incorporated of Reno whose principal is Lud Corrao; and

WHEREAS, Brooks and Corrao desire to split the ground lease into two to coincide with their respective hangars with joint use of common ramp areas, and to have the leases reflect the ownership by the principals; and

WHEREAS, the terms of this lease (except for the split of tenants and area) are a restatement of, and will be a replacement for, the earlier lease.

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport in Exhibit A (premises), and the appurtenant rights included in Paragraph 8. Corrao and Brooks shall also have joint use of the ramp areas common to their respective leaseholds.

2. TERM. The term is fifty (50) years commencing October 24, 1994.

3. RENT. Tenant shall pay to Landlord:

A. \$3,564.88 dollars per year; calculated as base rates of \$0.102 per square foot per year for area 35B and \$0.02 for the clear area or \$0.075 per square foot per year for the entire leased area (45,084 sq. ft.), and increased by 5.9% CPI as of January 1, 1997. Rent shall be payable monthly with the first year's payment due in advance and with payments thereafter due on the first day of each month.

B. Fuel flowage fees pursuant to Paragraph 8 of this Lease, such fees to be paid at the time of each delivery of fuel to Tenant's fuel storage facility.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 1995, 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. LESSOR shall measure each two year adjustment using the most recently available report recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 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 1996 is 155.0 (1982-1984=100) and for December 1994 is 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

5. IMPROVEMENTS. Tenant has completed the construction schedule.

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

Tenant:

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

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

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

D. Filing a petition of voluntary or involuntary bankruptcy.

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

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

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

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

A. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

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

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

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

Third, rent due and unpaid under this lease, after deducting the payments referred to in this paragraph, any sum remaining from the rent

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

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

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily for the storage of aircraft; machinery, parts and tools associated with the stored aircraft; office space associated with the stored aircraft, and is expressly prohibited from conducting any activity at the Carson City Airport other than that provided by this Agreement or

as may be approved by Landlord. Tenant is, by this lease, an authorized FBO for the inside storage of aircraft, and shall comply with the provisions of Title 19 applicable to the public provision of aircraft storage for multiple aircraft hangars. Tenant shall not perform any salvage, rehabilitation, maintenance, construction or reconstruction, commercial, or industrial operations for any aeronautical uses, vehicles, and equipment except for aircraft owned by Tenant. Except as specified in this Lease, Tenant is prohibited from any fixed base operations which are revenue producing in or on or from Tenant's facility. Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses. Landlord agrees that Tenant will be the sole Tenant and occupant of the leasehold under the terms of this lease Agreement. Tenant may construct, upon Landlord approval and other applicable governmental approvals, a fuel storage facility for Tenant's own use only. For all fuel so stored, Tenant shall pay Landlord a fuel flowage fee designated in Title 19 of the Carson City Municipal Code applicable to all owners of fuel storage facilities, except those which are limited by leases or contracts entered into by Carson City prior to the creation of the Carson City Airport Authority (July 5, 1989).

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the taxiway area between premises and runway. Tenant shall be responsible for, and control the access to,

the premises. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, or access plans.

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

D. Air Space and Subsurface Rights. This lease confers no right to the subsurface of the land more than five (5) feet below the ground level of the premises or to airspace more than ten (10) feet above the top of the roof of the building or buildings that is a part of the premises. All exemptions or applications must have the prior approval of Landlord.

E. Federal Requirements.

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

2. The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration covenants and agrees as a covenant running with the land that: 1) no person on the grounds of race, color, or national origin shall be excluded from participation in,

denied the benefits of, or be otherwise subject to discrimination in the use of the facilities; 2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

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

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

5. Noncompliance with Provision 4 above shall constitute a material breach of this Agreement and in the event of such noncompliance, the Landlord shall have the right to terminate this lease Agreement without liability or at the election of the Landlord or the United States; either or

both governments shall have the right to judicially enforce these provisions.

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

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

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

9. The Landlord reserves the right, but shall not be obligated to the Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct

and control all activities of the Tenant in this regard.

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

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

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

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

structure or object and cut the offending tree, all of which shall be at the expense of the Tenant.

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

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

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

9. ASSIGNMENT AND SUBLEASING. Tenant shall have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

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

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

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

notice to the Tenant.

10. INSURANCE AND BONDING.

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

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

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

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

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

B. Insured Includes. Landlord and Carson City must be named as additional

insureds and requires that the insurance carrier underwriting such coverage give the Landlord and Carson City thirty (30) days written notice prior to cancellation of or material alteration to the policy.

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

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

The Tenant further agrees to indemnify Landlord and Carson City from environmental liability for contamination or damage to the premises and any adjacent area to the premises.

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

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

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

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

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

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

14. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall construct improvements in accordance with Exhibit B and shall remove at his cost all buildings and improvements upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on termination 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.

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

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

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

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

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

18. NOTICES. It is agreed that any notice to be given or served upon either party shall be

sufficient if sent by certified mail, postage prepaid, addressed to the address of the party listed at the beginning of this Lease, or to such other address as may be designated in writing by such party.

19. ADDITIONAL CONDITIONS. Tenant shall be responsible for any utility charges assessed by the utility companies. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A.

TENANT



WAYNE BROOKS

LANDLORD

CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


RON KITCHEN, CHAIRMAN

ATTEST:

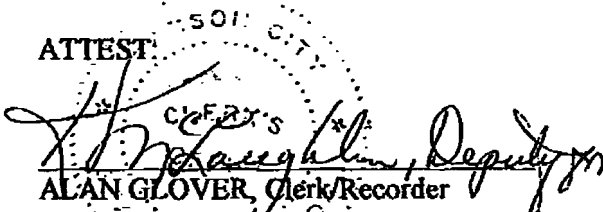

TIM HOMAN, SECRETARY C.C.A.A.
STEVE HELSHETER, ~~VICE~~ CHAIRMAN

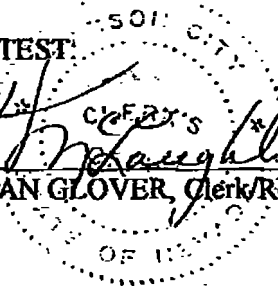
CARSON CITY

Approved by the Board of Supervisors this 19th day of Aug., 1997


RAY MASAYKO, Mayor


ATTEST:


ALAN GLOVER, Clerk/Recorder



CITY'S LEGAL COUNSEL

Approved as to form.


DISTRICT ATTORNEY

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of ORANGE

On 11/20/98 before me, KATHERINE FLACK, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared WAYNE BROOKS
Name(s) of Signer(s)

☒ personally known to me – OR – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Katherine Flack
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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RIGHT THUMBPRINT
OF SIGNER
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Exhibit A

LEGAL DESCRIPTION

LEASE PARCEL 35-B

All that certain parcel of land situate in the SE 1/4 of Section 33, T. 16 N., R. 20 E., M.D.M., Carson City, Nevada. Said parcel being more particularly described as follows:

COMMENCING at the SE corner of said Section 33;

THENCE, N 74°23'49" W, a distance of 260.45 feet to the **TRUE POINT OF BEGINNING**;

THENCE N 89°26'31" W, a distance of 217.52 feet;

THENCE N 0°44'54" E, a distance of 197.72 feet to the beginning of a non-tangent curve to the right;

THENCE along a curve having a radius of 425.00 feet, arc length of 95.28 feet, delta angle of 12°50'44", a chord bearing of N 84°08'07" E, and a chord length of 95.08 feet;

THENCE S 89°26'31" E, a distance of 123.99 feet;

THENCE S 1°0'0" W, a distance of 208.37 feet; to the **TRUE POINT OF BEGINNING**.

CONTAINING 45,085 square feet, more or less.

EXHIBIT B

CONSTRUCTION EXHIBITS

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

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

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

1. **CONSTRUCTION ON PREMISES.** Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgements, 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. Phase I - All plans completed and submitted to LESSOR and governmental offices for approval.

2. Phase II - All permits obtained for construction.

3. Phase III - All construction completed.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth in Phases I, II, and III above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, property within the parcel as identified in Exhibit A.

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.

FILED FOR RECORD
ON REQUEST OF
CARSON CITY CLERK TO
THE BOARD
99 AUG 26 10:35

FILE NO. 239343
ALAN GLOVER
CARSON CITY RECORDER
FEE \$10.00 REP. *[Signature]*

RECORDS

239343

APN: 005-011-75

Recording Requested By:

When recorded return to:

Tri-Motor, LLC
P.O. BOX 570337
LAS VEGAS, NV 89157

RECORDED AT THE REQUEST OF
NORTHERN NEVADA TITLE CC
08/05/2011 01:45PM
FILE NO.414361
ALAN GLOVER
CARSON CITY RECORDER
FEE \$70.00 DEP JLI

ASSIGNMENT OF GROUND LEASE

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT ("Assignment"), is executed as of July 14, 2011, and effective as of the Effective Date (as defined below), by and among WAYNE BROOKS ("Assignor"), TRI-MOTOR, LLC, a Nevada limited liability company ("Assignee"), and CARSON CITY AIRPORT AUTHORITY ("Landlord").

- A. Assignor and Landlord entered into that certain Carson City Airport Lease Agreement effective as of the Effective Date (as amended, the "Ground Lease") between Carson City Airport Authority ("Landlord") attached hereto as Exhibit "A", pursuant to which Landlord agreed to lease to Assignor and Assignor agreed to lease from Landlord those certain real property and appurtenant rights identified therein (the "Leased Premises").
- B. Pursuant to numbered section 9 of the Ground Lease, Landlord's prior written consent is required for any assignment of Assignor's interest the Ground Lease.
- C. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions (as amended the ("Purchase Agreement"), dated as of June 22, 2011 by and among Assignor as "Seller" and Assignee, as "Purchaser", at the Closing (as defined in the Purchase Agreement), Assignor shall assign and transfer to Assignee all of Assignor's right, title and interest, in and to the Leased Premises and the Ground Lease. The Closing Date as used herein shall have its meaning as set forth in the Purchase Agreement.
- D. Landlord has agreed to the assignment of the Ground Lease from Assignor to Assignee, upon the terms and conditions set forth herein.

NO, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties hereby agree as follows:

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

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

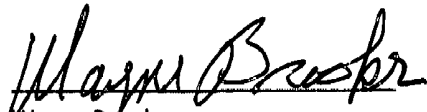
4. Miscellaneous. This Assignment may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall be one instrument. This Assignment shall be binding upon the parties and their respective successors and assigns. This Assignment shall be governed by and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

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

(Remainder of Page Left Intentionally Blank)

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

ASSIGNOR:


Wayne Brooks

ASSIGNEE:

TRI-MOTOR, LLC
a Nevada limited liability company

By: John Seibold
Title: _____

CONSENTED TO BY:

CARSON CITY AIRPORT AUTHORITY

BY: _____
Title: _____

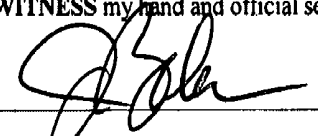
STATE OF California)

) ss.

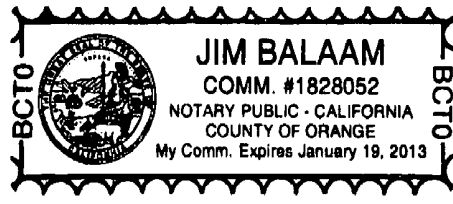
COUNTY OF ORANGE)

On this 15th day of July, 2011, personally appeared before me a Notary Public in and for ORANGE County, State of California, WAYNE BROOKS known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.



NOTARY PUBLIC



STATE OF _____)

) ss.

COUNTY OF _____)

On this _____ day of _____, 2011, personally appeared before me a Notary Public in and for _____ County, State of _____, _____ known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC

STATE OF _____)

) ss.

COUNTY OF _____)

On this _____ day of _____, 2011, personally appeared before me a Notary Public in and for _____ County, State of _____, _____ known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC

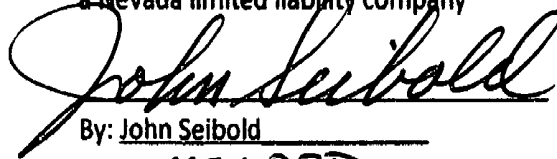
IN WITNESS WHEREOF, this Assignment is made and entered into as of the date first set forth above.

ASSIGNOR:

ASSIGNEE:

TRI-MOTOR, LLC

a Nevada limited liability company



By: John Seibold

Title: MEMBER

Wayne Brooks

CONSENTED TO BY:

CARSON CITY AIRPORT AUTHORITY

BY: _____

Title: _____

STATE OF NEVADA)

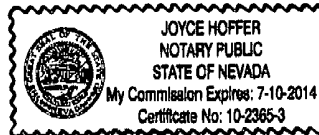
) ss.

COUNTY OF Carson City

On this 14 day of July, 2011, personally appeared before me a Notary Public in and for Carson City County, State of NEVADA John Rudolph Seibold known to me to be the person ¹⁵ described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.


NOTARY PUBLIC



STATE OF _____)

) ss.

COUNTY OF _____)

On this _____ day of _____, 2011, personally appeared before me a Notary Public in and for _____ County, State of _____, _____ known to me to be the person _____ described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC

STATE OF _____)

) ss.

COUNTY OF _____)


On this _____ day of _____, 2011, personally appeared before me a Notary Public in and for _____ County, State of _____, _____ known to me to be the person _____ described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

NOTARY PUBLIC

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

ASSIGNOR:


Wayne Brooks

ASSIGNEE:


TRI-MOTOR, LLC
a Nevada limited liability company

By: John Seibold

Title: _____

CONSENTED TO BY:

CARSON CITY AIRPORT AUTHORITY


By: Harlow Norvell
Title: CHAIRMAN

CARSON CITY

Approved by the Board of Supervisors this 4th day of August, 2011.



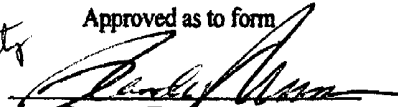
ROBERT L. CROWELL, MAYOR

ATTEST:

CITY'S LEGAL COUNSEL

Approved as to form

for: Kathleen King Deputy
By: ALAN GLOVER,
Carson City Clerk
KATHLEEN KING


By: RANDY MUNOZ, CDDA

AIRPORT AUTHORITY COUNSEL

Approved as to form

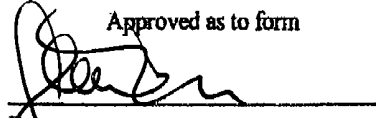

By: STEVEN E. TACKES
AIRPORT COUNSEL

EXHIBIT A
Carson City Airport Lease Agreement

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 30th day of March 1997, between the Carson City Airport Authority (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and Wayne Brooks (hereinafter referred to as Brooks or Tenant), whose address is 15312 Connector Road, Huntington Beach, CA92649.

WITNESSETH:

WHEREAS, the Brooks is the principal of J.E. Pistons and currently leases from Landlord certain ground space for Brooks's hangar and ramp area pursuant to a lease recorded October 21, 1994, as Document No. 000168289, which lease also includes ground space for a hangar and ramp area held by Corrao Incorporated of Reno whose principal is Lud Corrao; and

WHEREAS, Brooks and Corrao desire to split the ground lease into two to coincide with their respective hangars with joint use of common ramp areas, and to have the leases reflect the ownership by the principals; and

WHEREAS, the terms of this lease (except for the split of tenants and area) are a restatement of, and will be a replacement for, the earlier lease.

THEREFORE, Landlord and Tenant agree as follows:

1. **PREMISES.** Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport in Exhibit A (premises), and the appurtenant rights included in Paragraph 8. Corrao and Brooks shall also have joint use of the ramp areas common to their respective leaseholds.

2. **TERM.** The term is fifty (50) years commencing October 24, 1994.

3. **RENT.** Tenant shall pay to Landlord:

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A. \$3,564.88 dollars per year; calculated as base rates of \$0.102 per square foot per year for area 35B and \$0.04 for the clear area or \$0.075 per square foot per year for the entire leased area (45,084 sq. ft.), and increased by 5.9% CPI as of January 1 1997. Rent shall be payable monthly with the first year's payment due in advance and with payments thereafter due on the first day of each month.

b. Fuel flowage fees pursuant to Paragraph 8 of this Lease, such fees to be paid at the time of each delivery of fuel to Tenant's fuel storage facility.

4. **CPI ADJUSTMENT.** An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 1995, 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. LESSOR shall measure each two year adjustment using the most recently available report recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 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 1996 is 155.0 (1982-1984=100) and for December 1994 is 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

5. **IMPROVEMENTS.** Tenant has completed the construction schedule.

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

Tenant:

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

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

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

D. Filing a petition of voluntary or involuntary bankruptcy.

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

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

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

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

A. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

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

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

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

Third, rent due and unpaid under this lease, after deducting the payments referred to in this paragraph, any sum remaining from the rent

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

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

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily for the storage of aircraft; machinery, parts and tools associated with the stored aircraft; office space associated with the stored aircraft, and is expressly prohibited from conducting any activity at the Carson City Airport other than that provided by this Agreement or

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as may be approved by Landlord. Tenant is, by this lease, an authorized FBO for the inside storage of aircraft, and shall comply with the provisions of Title 19 applicable to the public provision of aircraft storage for multiple aircraft hangars. Tenant shall not perform any salvage, rehabilitation, maintenance, construction or reconstruction, commercial, or industrial operations for any aeronautical uses, vehicles, and equipment except for aircraft owned by Tenant. Except as specified in this Lease, Tenant is prohibited from any fixed base operations which are revenue producing in or on or from Tenant's facility. Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses. Landlord agrees that Tenant will be the sole Tenant and occupant of the leasehold under the terms of this lease Agreement. Tenant may construct, upon Landlord approval and other applicable governmental approvals, a fuel storage facility for Tenant's own use only. For all fuel so stored, Tenant shall pay Landlord a fuel flowage fee designated in Title 19 of the Carson City Municipal Code applicable to all owners of fuel storage facilities, except those which are limited by leases or contracts entered into by Carson City prior to the creation of the Carson City Airport Authority (July 5, 1981).

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the taxiway area between premises and runway. Tenant shall be responsible for, and control the access to,

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the premises. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, or access plans.

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

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

E. Federal Requirements.

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

2. The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration covenants and agrees as a covenant running with the land that: 1) no person on the grounds of race, color, or national origin shall be excluded from participation in,

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denied the benefits of, or be otherwise subject to discrimination in the use of the facilities; 2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

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

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

5. Noncompliance with Provision 4 above shall constitute a material breach of this Agreement and in the event of such noncompliance, the Landlord shall have the right to terminate this lease Agreement without liability or at the election of the Landlord or the United States; either or

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both governments shall have the right to judicially enforce these provisions.

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

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

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

9. The Landlord reserves the right, but shall not be obligated to the Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct

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and control all activities of the Tenant in this regard.

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

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

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

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

structure or object and cut the offending tree, all of which shall be at the expense of the Tenant.

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

15. It is understood and agreed that nothing contained in this lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 306a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

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

9. ASSIGNMENT AND SUBLEASING. Tenant shall have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

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

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

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

notice to the Tenant.

10. INSURANCE AND BONDING.

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

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

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

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

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

B. Insured Includes. Landlord and Carson City must be named as additional

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insureds and requires that the insurance carrier underwriting such coverage give the Landlord and Carson City thirty (30) days written notice prior to cancellation of or material alteration to the policy.

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

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

The Tenant further agrees to indemnify Landlord and Carson City from environmental liability for contamination or damage to the premises and any adjacent area to the premises.

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

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

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

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

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

13. TAX OBLIGATION. Tenant shall pay all taxes and assessments against any building, 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.

14. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall construct improvements in accordance with Exhibit B and shall remove at his cost all buildings and improvements upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on termination 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.

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

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

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

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

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

18. NOTICES. It is agreed that any notice to be given or served upon either party shall be

sufficient if sent by certified mail, postage prepaid, addressed to the address of the party listed at the beginning of this Lease, or to such other address as may be designated in writing by such party.

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19. ADDITIONAL CONDITIONS Tenant shall be responsible for any utility charges assessed by the utility companies. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A.


TENANT


WAYNE BROOKS

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


RON KITCHEN, CHAIRMAN

ATTEST:

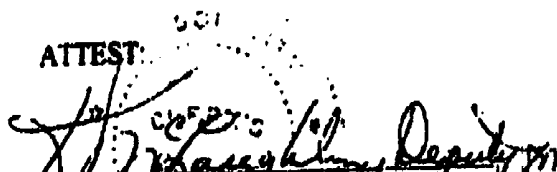

TIM HOMAN, SECRETARY C.C.A.A.
STEVE HELSHBOMER, ~~VICE~~ CHAIRMAN

CARSON CITY

Approved by the Board of Supervisors this 19th day of Aug, 1999


RAY MASAYKO, Mayor

ATTEST:


ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

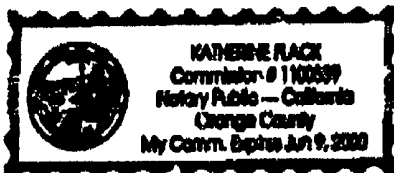
State of CALIFORNIA

County of ORANGE

On 11/20/98 before me, KATHERINE FLACK, Notary Public

personally appeared WAYNE BROOKS

☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Katherine Flack
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer
- Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

- ☐ Individual
- ☐ Corporate Officer
- Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer is Representing: _____

Signer is Representing: _____

Exhibit A

LEGAL DESCRIPTION

LEASE PARCEL 35-B

All that certain parcel of land situate in the SE 1/4 of Section 33, T. 16 N., R. 20 E., M.D.M., Carson City, Nevada. Said parcel being more particularly described as follows:

COMMENCING at the SE corner of said Section 33;

THENCE, N 74°23'49" W, a distance of 260.45 feet to the **TRUE POINT OF BEGINNING**;

THENCE N 89°26'31" W, a distance of 217.52 feet;

THENCE N 0°44'54" E, a distance of 197.72 feet to the beginning of a non-tangent curve to the right;

THENCE along a curve having a radius of 425.00 feet, arc length of 95.28 feet, delta angle of 12°50'44", a chord bearing of N 84°08'07" E, and a chord length of 95.08 feet;

THENCE S 89°26'31" E, a distance of 123.99 feet;

THENCE S 1°0'0" W, a distance of 208.37 feet; to the **TRUE POINT OF BEGINNING**.

CONTAINING 45,085 square feet, more or less.

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EXHIBIT B

CONSTRUCTION EXHIBITS

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

City Airport Authority.

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

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

1. **CONSTRUCTION ON PREMISES.** Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgements, 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. Phase I - All plans completed and submitted to LESSOR and governmental officials for approval.

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2. Phase II - All permits obtained for construction.

3. Phase III - All construction completed.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth in Phases I, II, and III above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, property within the parcel as identified in Exhibit

A.

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 on 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.

239343

FILED FOR RECORD
AT THE REQUEST OF
CARSON CITY CLERK TO
THE BOARD
99 AUG 26 AM 10:35

FILE NO. 239343
ALAN SILVER
CARSON CITY RECORDER
FILED SEP 1 1999

239343

APN 005-011-75

APN _____

APN _____

RECORDED AT THE
REQUEST OF

CARSON CITY CLERK TO
THE BOARD

2017 JAN 26 AM 8:45

FILE NO. 471848

SUSAN MERRIWETHER
CARSON CITY RECORDER

FEES NR RR

FOR RECORDER'S USE ONLY

Amendment to Carson City Lease Agreement (Tri-Motor LLC)
TITLE OF DOCUMENT

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

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

Kathleen King
Signature

Print Name & Title

WHEN RECORDED MAIL TO:

cc clerk

885 E. Musser St, Ste 1032

cc, NV 89701

~ 471848

**AMENDMENT TO
CARSON CITY AIRPORT LEASE AGREEMENT
(TRI-MOTOR LLC)**

This lease amendment is made this 21 day of December, 2016, between Carson City, the Carson City Airport Authority (Landlord), whose address is 2600 College Parkway #6 Carson City, Nevada 89706, and Tri-Motor, LLC, a Nevada limited liability company (hereinafter referred to as Tenant), whose address is P.O. Box 570337, Las Vegas, Nevada 89157.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to extend the term of the lease recorded with the Carson City Recorder as Document No 239343, assigned to Tenant in Document No 414361, pursuant to NRS 496.080, which permits leasing and renewals of aircraft storage leases based upon an appraisal conducted within the last 6 months; and

WHEREAS, the MAI appraisal within the last 6 months determined the lease value to be \$0.12/sqft/yr, and Tenant has agreed to increase its rent to that level; and

WHEREAS, Tenant has made (or is making) a one time donation of funds toward the Terminal Building restoration project in the amount of \$19,492.05, released immediately upon payment to the Airport Authority and not as payment of rent;

THEREFORE, Landlord and Tenant agree as follows:

1. **TERM.** The lease shall be renewed for a 50 year term, commencing on January 1, 2017, and ending on December 31, 2066.

2. **RENT.** Tenant shall pay to Landlord a new base rental amount of \$0.12/sqft/yr commencing on January 1, 2017 and subject to the CPI increases set forth in the lease occurring on 2 year anniversaries of the new lease term.

A. At the option of the Landlord, the rent rate may be adjusted to the appraised rate on January 1 of each 10 year anniversary of the new lease term. If the Landlord chooses to exercise the option, Landlord shall, at its expense, use an MAI certified appraiser, selected by the Landlord and Tenant from the Carson City Board of Supervisors' approved list of appraisers.

B. Tenant has invested funds for improvement and maintenance expenditures over term of the lease. Tenant shall continue to maintain and improve the property at a similar or greater rate, approximated as \$0.03/sqft/yr, averaged over a 10 year period.

(45,084 sqft x .03 x 10= \$13,525). Upon each 10 year anniversary of January 1, 2017, the Tenant shall report on its improvements to, and maintenance on, the leasehold made during the 10 year period. Upon request, Tenant shall provide supporting documentation of such Tenant expenditures to ensure that the facility is being maintained in the same fashion, i.e. same good condition as currently held, normal wear and tear excepted.

C. In the event that the leasehold use is modified to allow for FBO use beyond aircraft storage, then the lease rate shall convert to the ~~most recently~~ appraised lease rate for full FBO lots.

D. All other lease terms remain unchanged.

TENANT
TRI-MOTOR LLC
A Nevada limited liability company

John Mayes
Manager

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA

Linda Chandler-Law
LINDA CHANDER-LAW, CHAIRMAN

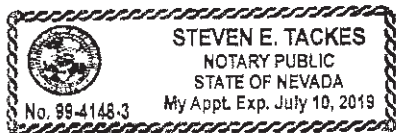
ATTEST:

Maurice White
MAURICE WHITE, TREASURER

STATE OF NEVADA)
: SS
COUNTY OF CARSON CITY)

On this 21st day of Dec, 2016, before me, the undersigned, a Notary Public, personally appeared JOHN MAYES /E., Manager of TRI-MOTOR, LLC, known to me to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

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



Steven E. Tackes
NOTARY PUBLIC (SEAL)

471848

CARSON CITY

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

Approved by the Board of Supervisors this 5th day of January, 2017.


ROBERT L. CROWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL

Approved as to form.


DISTRICT ATTORNEY

for. 
SUSAN MERIWETHER, Clerk/Recorder

AIRPORT AUTHORITY COUNSEL

Approved as to form


STEVEN E. TACKES, ESQ.

471848

Doc # 507510

Recorded 6/26/2020 12:24 PM
Requested By: CARSON CITY
RECORDING SECRETARY
Carson City - NV
Aubrey Rowlett Clerk-Recorder
Pg 1 of 9 Fee: \$0.00
Recorded By:SY

APN: 005-011-75

APN: PTN 005-011-01

APN: PTN 005-011-76

FOR RECORDER'S USE ONLY

AIRPORT LEASE AMENDMENT
(TRI-MOTOR, LLC)

TITLE OF DOCUMENT

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

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


Signature

Cheryl Eggert – Chief Deputy Clerk

Print Name & Title

WHEN RECORDED MAIL TO:

Carson City
885 E. Musser Street, suite 1032
Carson City, NV 89701

AIRPORT LEASE AMENDMENT

This AIRPORT LEASE AMENDMENT ("AMENDMENT") is hereby made and entered into on this 8th day of April, 2020, effective May 1, 2020, between the CARSON CITY AIRPORT AUTHORITY ("LANDLORD"), whose address is 2600 College Parkway #6, Carson City, Nevada 89706, and TRI-MOTOR, LLC, a Nevada limited liability company ("TENANT"), whose address is P.O. Box 570337, Las Vegas, Nevada 89157.

WITNESSETH:

WHEREAS, TRI-MOTOR, LLC is the tenant under a lease between LANDLORD and TENANT, having been assigned the lease from Wayne Brooks as approved by the LANDLORD in July 2011, recorded as Document No. 414361 on August 5, 2011 ("LEASE"); and

WHEREAS, TENANT and LANDLORD extended the term of the LEASE in December 2016, recorded with the Carson City Recorder as Document No 471848 on January 26, 2017, pursuant to NRS 496.080 (aircraft storage lease extension); and

WHEREAS, the current leasehold is identified as 2963 Arrowhead Drive (005-011-75, Lot 35 on the LANDLORD Lease Parcel Map) and is 45,085 square feet (sf) in size; and

WHEREAS, the term of the LEASE ends on December 31, 2066; and

WHEREAS, TENANT is currently paying to LANDLORD a base rental amount of \$0.125/sf/yr per the CPI adjustment made on January 1, 2019 and subject to the CPI increases set forth in the LEASE occurring on two-year anniversaries of each new LEASE term; and

WHEREAS, TENANT wishes to enlarge its leasehold to accommodate the expansion of an aircraft apron for additional aircraft staging area; and

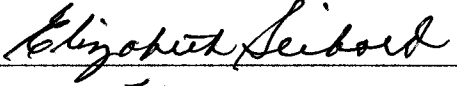
WHEREAS, TENANT has completed a survey of the affected airport area and is requesting to lease an additional 9,287 sf for the construction of concrete apron area for a total revised leasehold area of 54,372 sf; and

WHEREAS, the legal description of the additional leasehold area comprised of APN 005-011-75 and a portion of APN 005-011-01 and APN 005-011-76 is attached hereto as "Exhibit A"; and

WHEREAS, TENANT has coordinated aircraft apron expansion with the adjacent leasehold (Lot 37) to the south of the area described; and

THEREFORE, to facilitate the additional leasehold area, LANDLORD and TENANT hereby agree as follows:

1. **TERM.** The LEASE term shall be unchanged by this AMENDMENT, ending on December 31, 2066;
2. **RENT.** TENANT shall pay to LANDLORD a new base rental amount of \$0.24/sf/yr for the additional 9,287 sf (i.e. \$2,228.88/yr, or equivalently \$185.74/month) commencing on May 1, 2020 and subject to the CPI increases set forth in the LEASE occurring on two-year anniversaries of each new LEASE term.
3. All other LEASE terms remain unchanged by this AMENDMENT.

TENANT
TRI-MOTOR LLC
A Nevada limited liability company

Elizabeth Seibold

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA

MICHAEL GOLDEN, CHAIRMAN

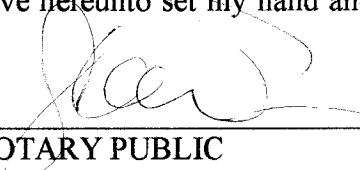
ATTEST:


JON ROGERS, TREASURER

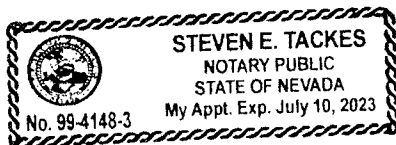
STATE OF NEVADA)
COUNTY OF CARSON CITY : ss

On this 24 day of April, 2020, before me, the undersigned, a Notary Public, personally appeared Elizabeth Seibold, Manager of TRI-MOTORS, LLC, 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, as underlying owner of the Airport, and thus the Lease Parcel, hereby approves and acknowledges the AMENDMENT, and the right and authority of the LANDLORD to enter into the AMENDMENT with TENANT.

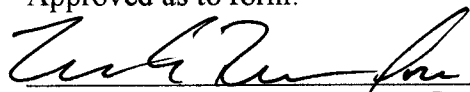
Approved by the Board of Supervisors this 7th day of May, 2020.


ROBERT L. CROWELL, Mayor

ATTEST:


AUBREY ROWLATT, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY Todd Reese

AIRPORT AUTHORITY COUNSEL
Approved as to form

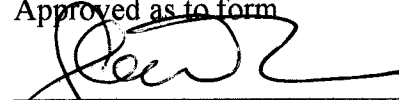

STEVEN E. TACKES, ESQ.

EXHIBIT "A"
LEGAL DESCRIPTION
NEW LEASE PARCEL 35-B
APN 005-011-75 AND A PORTION OF APN 005-011-01 AND APN 005-011-76

All of Lease Parcel 35-B described in Assignment of Ground Lease File No. 414361, recorded August 5, 2011, Carson City Records, and a portion of the Caron City Airport Authority parcel located adjacent to and south of said Lease Parcel 35-B, and a portion of Lease Parcel 37 described in Carson City Airport Lease Agreement File No. 239314, recorded August 25, 1999, in said Carson City Records, located within a portion of the Southeast Quarter of Section 33, Township 16 North, Range 20 East, MDM, being more particularly described as follows:

COMMENCING at the Southeast corner of said Section 33;

thence North 74°23'49" West a distance of 260.45 feet to the Southeast corner of said Lease Parcel 35-B and being the **POINT OF BEGINNING**;

thence along the South boundary of Lease Parcel 35-A described in Carson City Airport Lease Agreement File No. 239344, recorded August 26, 1999, Carson City Records South 89°26'31" East a distance of 15.55 feet;

thence departing said South boundary South 01°00'00" West a distance of 65.89 feet;

thence North 89°26'31" West a distance of 2.50 feet;

thence from a tangent which bears North 00°33'29" East, along a circular curve to the left with a radius of 27.00 feet and a central angle of 90°00'00" an arc length of 42.41 feet;

thence North 89°26'31" West a distance of 48.16 feet to a point on the East boundary of said Lease Parcel 37;

thence departing said East boundary North 89°26'31" West a distance of 145.00 feet to a point on the West boundary of said Lease Parcel 37;

thence departing said West boundary North 89°26'31" West a distance of 10.03 feet;

thence North 00°44'54" East a distance of 38.89 feet to the Southwest corner of said Lease Parcel 35-B;

thence along the West boundary of said Lease Parcel 35-B North 00°44'54" East a distance of 197.72 feet to the Northwest corner of said Lease Parcel 35-B;

thence along the North boundary of said Lease Parcel 35-B from a tangent which bears North 77°42'45" East, along a circular curve to the right with a radius of 425.00 feet and a central angle of 12°50'44" an arc length of 95.28 feet;

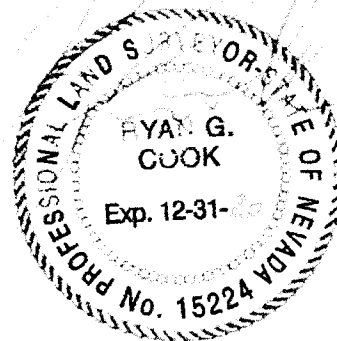
thence South 89°26'31" East a distance of 123.99 feet to the Northeast corner of said Lease Parcel 35-B;

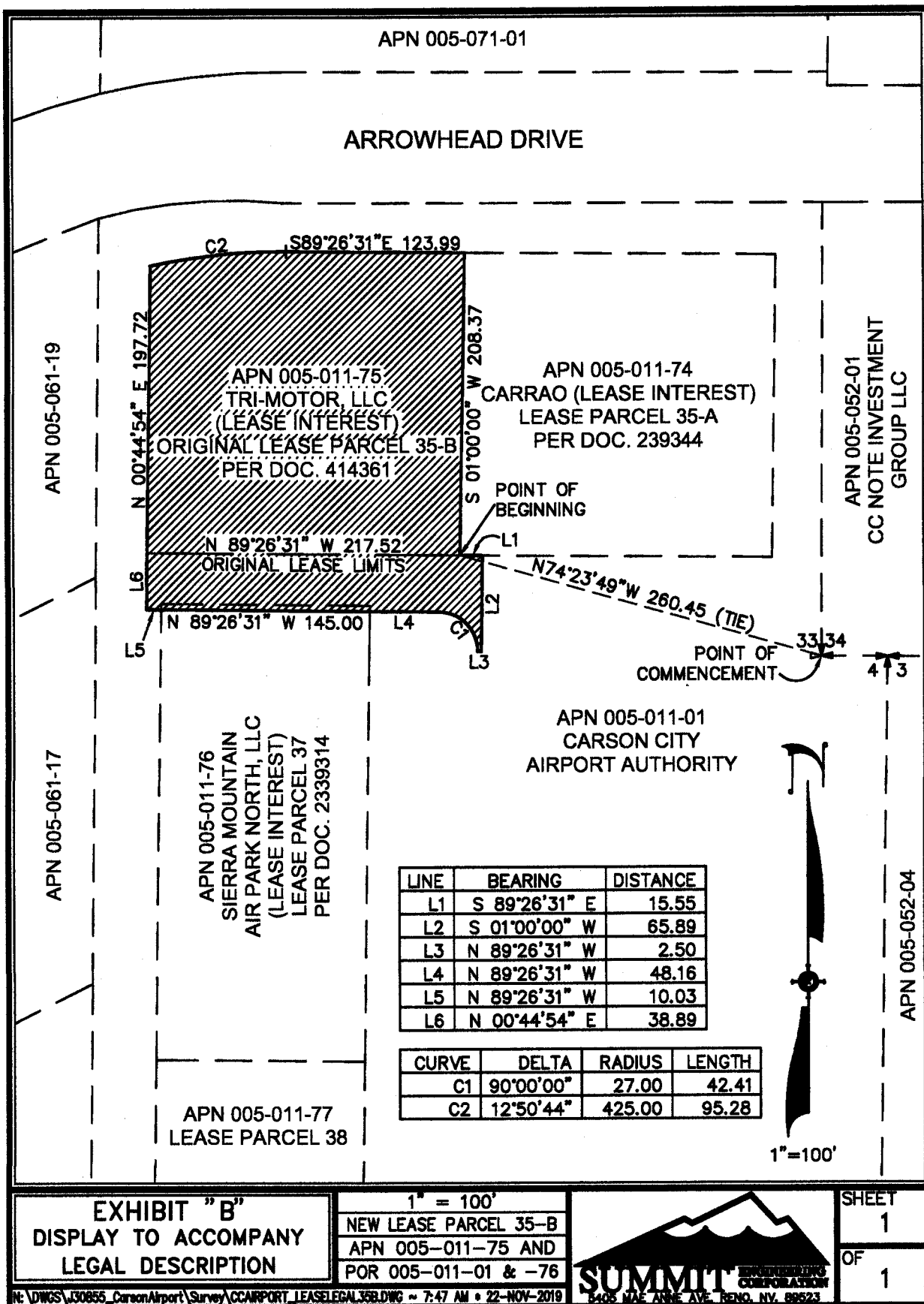
thence along the East boundary of said Lease Parcel 35-B South 01°00'00" West a distance of 208.37 feet to the **POINT OF BEGINNING**.

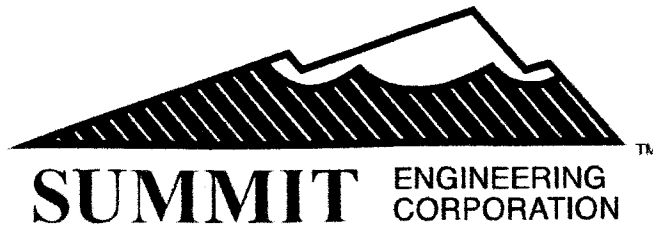
Said parcel contains an area of approximately 54,372 square feet.

BASIS OF BEARINGS: Amended Official Plat of Carson City Industrial Airpark, Map Number 363, recorded December 14, 1971 as File Number 98759, in the official records of Ormsby County, Nevada.

Description Prepared By:
Ryan G. Cook, PLS 15224
Summit Engineering Corporation
5405 Mae Anne Ave.
Reno, NV 89523
775-747-8550







February 27, 2020

To: Carson City Airport
Attn: Kenneth G. Moen, Airport Manager
2600 College Parkway #6
Carson City, NV 89706
(775) 841-2255
kmoen@flycarsoncity.com

Re: Areas of Lease parcels APN 005-011-75 & 005-011-76

Mr. Moen,

Summit Engineering has previously prepared and provided the November 22, 2019 dated legal descriptions and graphical displays for New Lease 35-B and New Lease 37-B. The following is a summary of the original verse's new areas of these two lease parcels:

APN 005-011-75: Tri-Motor LLC

Original Area of Lease Parcel 35 per Document No. 414361 = 45,085 square feet
New Area of New Lease Parcel 35-B per 11/22/2019 Legal Description = 54,372 square feet
Increase of an Area of 9,287 square feet

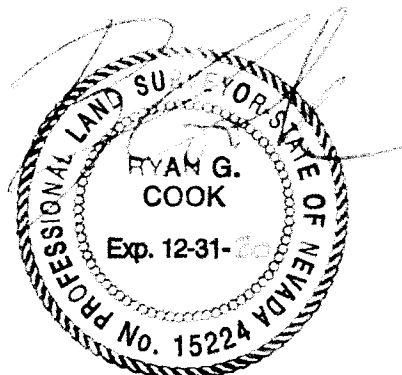
APN 005-011-76: Sierra Mnt Air Part North et al

Original Area of Lease Parcel 37 per Document No. 239314 = 45,457 square feet
New Area of New Lease Parcel 37-B per 11/22/2019 Legal Description = 44,877 square feet
Decrease of an Area of 580 square feet

If I can be of further assistance, please call me at (775) 787-4316 or ryan@summitnv.com.

Sincerely,

Ryan Cook, PLS, WRS, CFedS
Vice President & Surveying Department Manager
SUMMIT ENGINEERING CORPORATION



2-27-2020