

James Wickersham, who in turn subleased the area to Shadetree Aviation, Inc., an entity wholly owned by James Wickersham, which restores aircraft.

The Wickersham airport lease is set to expire on August 20, 2017. As a result, Mr. Wickersham requested an extension so that he would not need to start winding his business down in advance of the lease termination. NRS 244.2833 permits an extension (up to 5 years) of leases if the area leased is less than 25,000 sq ft.

To keep his business active, Mr. Wickersham has agreed to reduce the size of his lease area to 24,990 sq ft and to pay a substantially higher rent beginning August 21, 2017. By doing so, Mr. Wickersham can continue to grow his business as opposed to winding it down. The higher rent (\$1.20/sq ft/yr vs \$0.10/sq ft/yr) reflects the difference between renting bare ground and renting a parcel with an existing facility. The parties believe that is a fair rate given that the property is improved with a hangar, but noting that it is an older hangar and has maintenance needs that the tenant will be responsible for. The Airport Authority believes the new rate is the fair market rate.

Until August 20, 2017, his lease and rental remains under the current terms (ie. same area he has today; current rental rate; subject to CPI). Under the terms of the Agreement, he can choose to opt out of the lease extension upon 6 months notice to the Authority. This is included in the event that the law changes and the 25,000 sq ft reduction requirement is lifted, or other law changes that would allow a longer extension or upon different terms. The parties believe that it is better to grant this extension now, instead of waiting until later, so that Mr. Wickersham can continue with his business without fear of losing his hangar and thus feeling the need to begin winding down his business at the airport

Per NRS 844, all Airport leases must be approved by the Carson City Board of Supervisors. Consistent with NRS 244.2833, we published a Notice of Hearing by the Board of Supervisors, for this meeting.

The Statute states:

NRS 244.2833 Lease of building space or other real property that is less than 25,000 square feet.

1. The board of county commissioners may offer any county-owned building or any portion thereof or any other real property for lease without complying with the provisions of NRS 244.2795, 244.281 and 244.283 if:

(a) The area of the building space or other real property is less than 25,000 square feet; and
(b) The board of county commissioners adopts a resolution stating that it is in the best interest of the county to lease the property:

(1) Without offering the property to the public; and
(2) For less than the fair market value of the building space or other real property, if applicable.

2. The board of county commissioners shall:

(a) Cause to be published at least once, in a newspaper qualified under chapter 238 of NRS that is published in the county in which the county-owned building or portion thereof or the other real property is located, a notice setting forth a description of the county-owned building or portion thereof or the other real property proposed to be leased in such a manner as to identify it; and

(b) Hold a public hearing on the matter not less than 10 or more than 20 days after the date of publication of the notice.

3. A lease of a county-owned building or any portion thereof or any other real property pursuant to this section may be made on such terms and conditions as the board of county commissioners deems

proper. The duration of such a lease must not exceed 3 years and may include an extension for not more than an additional 2 years.

Following the terms of the statute, the Airport Authority determined that it is in the best interest of the Airport and Carson City, to proceed with the lease extension because:

- (1) There is no practical way to offer the property to the public since there is still time left on the lease, nor would it be in the City's and Airport's interests to lose an ongoing business on the Airport.
- (2) The Authority believes the rate is the fair market rate based on comparisons to rental rates for other hangars on the airport, recognizing the age and condition of the hangar. The Notice of Hearing was published and the Proof of Publication is attached.

The Airport Authority has approved the lease extension. Consistent with NRS 844, the Airport Authority requests approval from the Board of Supervisors.

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

Fiscal Impact: None to City; increased revenue to Airport Authority.

Explanation of Impact: Not Applicable.

Funding Source: Not Applicable.

Alternatives: Not Applicable

Supporting Material: REDUCTION OF AREA, EXTENSION OF TERM AND RESTATEMENT OF CARSON CITY AIRPORT LEASE AGREEMENT with area map and legal description; Proof of Publication of the Notice of Hearing; and proposed Resolution.

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

Reviewed By: _____ Date: 11.21.2014
 (Department Head) Richard Mariano
 _____ Date: 11/24/14
 (City Manager) [Signature]
 _____ Date: 11/24/14
 (District Attorney) [Signature]
 _____ Date: 11/24/14
 (Finance Director)

Board Action Taken:

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

(Vote Recorded By)

RESOLUTION NO. _____

A RESOLUTION THAT APPROVAL OF THE REDUCTION OF AREA, EXTENSION OF TERM AND RESTATEMENT OF THE CARSON CITY AIRPORT LEASE AGREEMENT WITH THE CURRENT TENANT JAMES K. WICKERSHAM IS IN THE BEST INTEREST OF CARSON CITY.

WHEREAS, pursuant to NRS 244.2833 the Board of Supervisors may lease City property supervised by the Carson City Airport Authority that is less than 25,000 square feet without offering it to the public, and for less than fair market value, upon proper publication of notice, and pursuant to a public hearing, and upon a Resolution of the Board of Supervisors that such a lease would be in the best interest of the City; and

WHEREAS, the proposed Reduction of Area, Extension of Term and Reinstatement of Carson City Airport Lease Agreement with the current tenant James K. Wickersham, which was prior approved by the Carson City Airport Authority Board meets all the requirements of NRS 244.2833; and

WHEREAS, notice of public hearing of this lease extension was published in the Nevada Appeal on November 16, 2014 that his matter will be heard at the December 4, 2014 meeting of the Carson City Board of; and

WHEREAS, the parties have reduced the lease area and extend the lease for 5 years (ie. 3 years plus and additional extension of 2 years) under the same general terms, from the same hangar and working area, albeit reduced in size and at current rental rates to take effect on August 20, 2017; and

WHEREAS, the existing rent with CPI increases shall continue until August 20, 2017. Beginning on September 1, 2017, the rent shall be \$2,500.00 per month and such rental is nevertheless generally consistent with the market; and

NOW, THEREFORE, BE IT RESOLVED, that the Carson City Board of Supervisors finds the proposed Reduction of Area, Extension of Term and Restatement of Lease between the Airport Authority as landlord and James K. Wickersham as tenant as set forth herein is in compliance with the requirements of NRS 244.2833 and the grant of such lease extension is in the best interest of Carson City.

Upon motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted this 4th day of December, 2014 by the following vote.

VOTE: AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

Robert Crowell, Mayor

ATTEST

Alan Glover, Clerk
Carson City, Nevada

NEVADA APPEAL

580 Mallory Way, Carson City, NV 89701
P.O. Box 1888 Carson City, NV 89702
(775) 881-1201 FAX: (775) 887-2408

Customer Account: # 1065118

Legal Account

Carson City Airport
2600 E. College PKWY #6
CARSON CITY, NV 89706
Attn: Tim Rowe

Cora Jeffreys says:

That (s)he is a legal clerk of the **NEVADA APPEAL**, a newspaper published Tuesday through Sunday at Carson City, in the State of Nevada.

Copy Line

Tim Rowe

PO#:

Ad #: 10723923A

of which a copy is hereto attached, was published in said newspaper for the full required period of 1 time(s) commencing on 11/16/2014, and ending on 11/16/2014, all days inclusive.

Signed: _____

Date: 11/17/2014 State of Nevada, Carson City

Price: \$ 73.29

Subscribed and sworn to before me this ____ day
of _____

Notary Public

Proof and Statement of Publication

Ad #: 10723923A

Notice of Proposed Lease. NRS 244.2833. The Carson City Board of Supervisors will consider an extension of the airport lease between the Carson City Airport Authority and James K. Wickersham regarding that certain lease dated August 20, 1981, recorded as Document No. 6395, Carson City Recorder, as amended. The 5 year extension is coupled with a reduction in lease area and an increase in the monthly rental rate. Approval by the Airport Authority will be considered on November 19, 2014, at its meeting scheduled to begin at 6:00 p.m. Approval by the Board of Supervisors will be considered on December 4, 2014, at its meeting scheduled to begin at 8:30am. Both meetings will be held at the Carson City Community Center, Sierra Room, 851 East William Street, Carson City, Nevada. Interested persons may appear and be heard.

Pub: November 16,
2014 Ad#10723923

**REDUCTON OF AREA, EXTENSION OF TERM AND RESTATEMENT OF
CARSON CITY AIRPORT LEASE AGREEMENT**

This Reduction of Area, Extension of Term and Restatement of Lease is made and entered into this 19th day of November, 2014, between Carson City, the Carson City Airport Authority (Landlord), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706, and James K. Wickersham (Tenant), whose address is c/o Shadetree Aviation, 4331 Goni Rd, Carson City, Nevada 89706.

WITNESSETH:

WHEREAS, Landord and Tenant's predecessor (Sage Air Service) entered into a lease dated August 20, 1981 recorded as Document No. 6395, Book 306, Pages 573-589; which lease was subsequently amended vis Document Nos. 70770 (May 10, 1988) and 194927 (Oct 15, 1996), and subsequently assigned to Shadetree Aviaton, Inc., a California Corporation, then assigned to Tenant and then subleased to Shadetree Aviaton, Inc., a California Corporation via document Nos. 290621 (Jan 17, 2003) and 290622 (Jan 17, 2003), respectively, and recently amended via the Third Addendum to Lease, recorded Oct 23, 2014 as document No. 448334 (collectively, "Lease");

WHEREAS, NRS 244.2833 permits leases of less than 25,000 sq ft to be extended by 5 years (ie. 3 years plus an additional extension of 2 years), and whereas the Tenant and Landlord desire to reduce the lease area so as to be able to extend said lease for 5 years after the August 20, 2017 date upon which the lease would otherwise terminate;

WEREAS, this Agreement is made to allow Tenant to continue as an FBO, upon the same general terms, from the same hangar and working area, albeit reduced in size and at current rental rates to take effect on August 20, 2017.

THEREFORE, Landlord and Tenant agree as follows:

1. **PREMISES.** Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport identified as that the property leased for hangar and related use as described in Section II of the Lease as Parcel W2-A, reduced however from 66,043 sq. ft. to 24,990 sq. ft as shown on the attached Exhibit A and as fully described on Exhibit A ("Legal Description") to this lease (premises), and the appurtenant rights included in Paragraph 8. The premises shall also include the rental of 6 tie-downs closest to Tenant's hangar.

2. TERM. The term shall be five (5) years, commencing on August 20, 2017, and ending August 19, 2022. Tenant shall have the right to opt out of the commencement of this lease extension upon written notice given to Landlord at least 6 months prior to the August 20, 2017 commencement date.

3. RENT. Tenant shall pay to Landlord:

A. Existing rent with CPI increases shall continue until August 20, 2017.

B. Beginning on September 1, 2017, the rent shall be \$2,500.00 per month; Rent shall be payable monthly with payments due on the first day of each month.

C. Rental of the 6 tie-downs are included in the above rental amount.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur annually at the rate of 5%, with the first increase occurring January 1, 2019.

5. IMPROVEMENTS. Tenant is responsible for all maintenance and repairs on the hangar, and agrees to keep said improvements in as good a condition as received, ordinary wear and tear excepted.

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

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

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

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

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

D. Filing a petition of voluntary or involuntary bankruptcy.

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

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

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

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

7. REMEDIES. Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law. Such rights and remedies may be exercised and enforced concurrently and whenever and as often as deemed advisable. Any amount paid or expense or liability incurred by the Landlord for the account of Tenant may be deemed to be additional charges and the same may, at the option of Landlord, be added to any amounts then due or thereafter falling due.

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

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

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

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

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

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

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

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily the operation of a Fixed Base Operator activities (FBO) as that term is defined in CCMC Title 19, including all activities currently being conducted on the premises, as well as those activities permitted in the original lease, namely the FBO activities identified below. Tenant is expressly prohibited from conducting any activity at the Carson City Airport other than that provided by this Agreement or as may be approved by Landlord.

Tenant is specifically permitted but not required to offer the following services (source Section V of original lease):

1. Aircraft sales.

2. Parts and accessory sales.
3. Charter operations which include, without limitation, passenger or “airtaxi”; freight or delivery; photography; aerial survey; agricultural spraying; individual or group rides; piloting sky divers, and related aviation activities.
4. Aircraft rental.
5. Flight instruction or ground school.
6. Maintenance services which include services in one or more of the following:
 - a. Airframe overhaul and repair;
 - b. Engine overhaul and repair;
 - c. Radio and electrical shop;
 - d. Instrument shop;
 - e. Aircraft interior work;
 - f. Refinishing and painting..
7. Line services which include one or more of the following:
 - a. Supplying the fuel, oil and other fluids;
 - b. De-icing fluid;
 - c. Interior cleaning;
8. Any other service or activity which may be provided by a Fixed Base Operator under the rules and regulations of Landlord, including but not limited to the services and activities enumerated in Section 19.02.020.350 of the Carson City Municipal Code, provided that such other service or activity is approved by Landlord through formal action.

Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses. No person may live in, or otherwise inhabit, any hangars constructed on the property leased. AIRCRAFT- All aircraft on the leased area must be registered as personal property in Carson City, Nevada, unless such aircraft are transient and are not on the leased area for more than 21 days, or are customer aircraft registered elsewhere. Tenant shall supply Landlord with evidence of the registration and taxation information on the one year

anniversaries of this lease, or upon such shorter period as may be requested by the Airport Manager.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the taxiways between premises and runway. Tenant shall be responsible for, and control the access to, the premises. Tenant is responsible for determining whether the designated taxilane access is sufficient for its needs. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, or access plans and any rules or security regulations which may have been established or shall be established in the future by the FAA, the Transportation Security Administration (TSA) or the State of Nevada. To the extent that the Airport utilizes a key card or other gate control system, and charges Airport users for such system, Tenant shall be entitled to use the system upon the same terms, conditions and charges as other Airport users.

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

D. Air Space and Subsurface Rights. This lease confers no rights to the subsurface of the land more than five (5) feet below the ground level of the premises or to airspace more than ten (10) feet above the top of the roof of the building or buildings that is a part of the premises. Exported material must be approved by the Landlord as to placement or sale. Tenant acknowledges that Landlord is the owner of the dirt material in place at the time of lease. All exemptions or applications must have the prior approval of Landlord.

E. Federal Requirements.

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

shall take no action which violates or causes others to violate the Assurances granted to the FAA in conjunction with such federal funding. Such assurances include, but are not limited to compliance with:

- a. Title 49, USC, subtitle VII, as amended.
- b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.
- c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- d. Hatch Act - 5 U.S.C. 1501, et seq. (if applicable)
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq
- f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).
- g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.
- h. Native Americans Grave Repatriation Act -25 U.S.C. Section 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.1
- l. Title 49 ,U.S.C., Section 303, (formerly known as Section 4(f))
- m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
- n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
- o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- p. American Indian Religious Freedom Act, P.L. 95-341, as amended
- q Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.
- r. Power plant and Industrial Fuel Use Act of 1978 -Section 403- 2 U.S.C. 8373.
- s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
- t. Copeland Anti kickback Act - 18 U.S.C. 874.1
- u. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq. (if applicable)
- x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.
- y. Such Executive Orders as may be applicable to FAA AIP funding.
- z. Such Federal Regulations as may be applicable to FAA AIP funding, and such other OMB Circulars as may apply and are listed at http://www.faa.gov/airports_airtraffic/airports/aip/grant_assurances/medi_a/airport_sponsor_assurances.pdf or such updated listing at the official website maintained by the FAA.

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

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

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

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

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

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

7. If the conduct of business is permitted on the premises, the Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in

any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart.

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

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

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

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

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

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

enter upon the premises to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Tenant.

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

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

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

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

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

The parties agree that a transfer of corporate interests in excess of twenty-five percent (25%) shall be deemed an assignment of this lease. The term "corporate interests" shall include corporate ownership, or the ownership of any partnership, trust, Limited Liability Company and other entity for ownership by more than one person permitted by Nevada law.

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

10. INSURANCE AND BONDING.

A. Coverage. As a condition precedent to this lease, Tenant shall provide, at his own cost, insurance coverage in the amount of TWO MILLION DOLLARS (\$2,000,000.00), the category to be under-written by a responsible insurance carrier, authorized by the State of Nevada to provide such coverage. The following coverage shall be included:

1. Third-party comprehensive general liability coverage for bodily injury and property damage for any claim or liability for any injury or damage to any person or property arising out of or resulting from Tenant's operations.

2. Section reserved.

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, such coverage amount for the value of the leasehold improvements. (ie. coverage can be less than \$2,000,000).

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

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

C. Review of Insurance coverage. Landlord and Carson City reserve the right, every five years, to review and adjust the amount of insurance coverage required.

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

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

The Tenant further agrees to indemnify Carson City and Landlord from environmental liability for contamination or damage to the premises and any adjacent area to the premises related or connected with the occupation or use of the leasehold property..

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

12. ENVIRONMENTAL. The Tenant will conduct its business and operation in the Premises in compliance with all Environmental Laws and Permits. The Tenant will forthwith notify the Landlord of the occurrence of any of the following and will provide the Landlord with copies of all relevant documentation in connection therewith:

- (a) a release of a Hazardous Substance in or about the Premises and/or Lands except in strict compliance with Environmental Laws and any applicable Permits;
- (b) the receipt by the Tenant of an Environmental Notice; or
- (c) the receipt by the Tenant of information which indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environmental by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws.

Tenant will not permit the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in or about the Premises and/or Lands, except in compliance with applicable Environmental Laws. If the Landlord receives information that Hazardous Substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws, the Tenant will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by the Landlord to determine the existence of Hazardous Substances in or about the Premises and/or Lands. If the Tenant does not complete the Investigations to the satisfaction of the Landlord, the Landlord may enter on the property of the Tenant and take any actions necessary to complete the Investigations, the cost of which actions will be borne by the Tenant as additional rent. If remedial work is required due to the presence of Hazardous Substances on or in the Premises and/or the Lands, the Tenant will take all necessary action, at the cost of the Tenant, to restore the Premises and/or Lands to a level acceptable to the Landlord and to all governmental authorities having jurisdiction. Upon the request of the Landlord, from time to time, the Tenant will

provide to the Landlord satisfactory documentary evidence that all environmental permits are valid and in good standing.

Environmental Indemnity. The Tenant will indemnify and save harmless Carson City, Landlord, its officers, directors, employees, agents and shareholders, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the Landlord, its officers, directors, employees, agents and shareholders, arising, directly or indirectly, out of:

(a) a breach by the Tenant of any of the covenants contained in this Section;

(b) the presence of or release of any Hazardous Substance on or off-site of the Premises and/or the Lands;

(c) any action taken by the Landlord with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands; or

(d) any action taken by the Landlord in compliance with any Environmental Notice with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands;

and such indemnity will survive the expiration or any termination of this lease notwithstanding anything in this lease to the contrary.

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

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

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

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

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

15. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall remove at his cost all buildings and improvements upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on expiration of lease period, or upon termination of this lease, to take title of the buildings and improvements, at no cost or obligation to Landlord, in lieu of Tenant's obligation to restore the premises to its original condition.

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

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

18. GENERAL. It is understood and agreed that each and all the terms of this Lease are subject to the regulations and provisions of law applicable to the operation of the Carson City Airport as a Federal Aid Airport Project. If any provision of this Lease is invalid, the other provisions of the Lease which are valid shall remain in effect, and the Lease will be re-negotiated to

comply with the requirements of the applicable laws and regulations. In the event that negotiation attempts are unsuccessful, either party may petition the First Judicial District Court, which shall then be entitled to establish such replacement provisions or issue such rulings as are just, for the purpose of satisfying the intent of the Lease provisions.

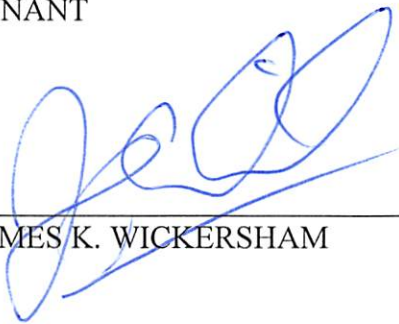
The Tenant agrees to observe and obey during the terms of this Lease all laws, rules, and regulations promulgated and enforced by the State of Nevada, Carson City, and by any other proper authority having jurisdiction over the conduct of operations at the Carson Airport.

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

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

20. ADDITIONAL CONDITIONS. None.

TENANT



JAMES K. WICKERSHAM

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA



GUY WILLIAMS, CHAIRMAN

ATTEST:



STEVE POSCIC, TREASURER

STATE OF NEVADA)
 : ss
CARSON CITY)

On this 6th day of November, 2014, before me, the undersigned, a Notary Public, personally appeared JAMES K. WICKERSHAM (Tenant) 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.

 Scott J. Heaton
NOTARY PUBLIC (SEAL)

NO. 38-2002
APPL. Exp. May 22, 2014
SCOTT J. HEDGECOCK
NOTARY PUBLIC
STATE OF MICHIGAN



CARSON CITY

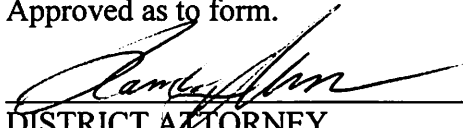
The Board of Supervisors of Carson City, Nevada, as underlying owner of the Airport, and thus the Lease Parcel, hereby approves and acknowledges the Lease, and the right and authority of the Authority to lease the Lease Parcel to Tenant.

Approved by the Board of Supervisors this ____ day of _____, 2014.

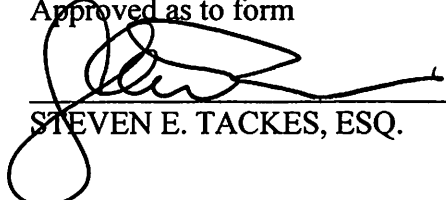
ROBERT L. CROWELL, Mayor

ATTEST:

ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.

November 14, 2014
BF

EXHIBIT A

ORIGINAL PARCEL

CARSON CITY AIRPORT

All those particular parcels of land described in File Number 6395 and depicted on Map No. 318 for Carson City Airport Authority in Book 306, Pages 573-589 both filed with the Carson City Recorder on August 27, 1981, being Lease Parcel 17 (W2-A) as described in said document.

November 10, 2014
BF

EXHIBIT B
RESULTANT LEASE PARCEL
CARSON CITY AIRPORT
LOT LINE ADJUSTMENT
LEGAL DESCRIPTION

All of the Remainder Parcel as shown on the Lease Parcel Exhibit for the Carson City Airport Authority and Wickersham, Document Number 6395 Map Number 318 on file at the Carson City Recorder's Office and located within a portion of the East one-half of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada:

COMMENCING at the Northwest corner of Lot 41 of the Ormsby County Industrial Airpark subdivision of Carson City as shown and located on Map No. 318, File No. 41674;

THENCE South 00°43'58" West, 290.00 feet;
THENCE North 89°12'35" West, 315.00 feet;
THENCE North 89°12'35" West, 38.55 feet to the **POINT OF BEGINNING**;

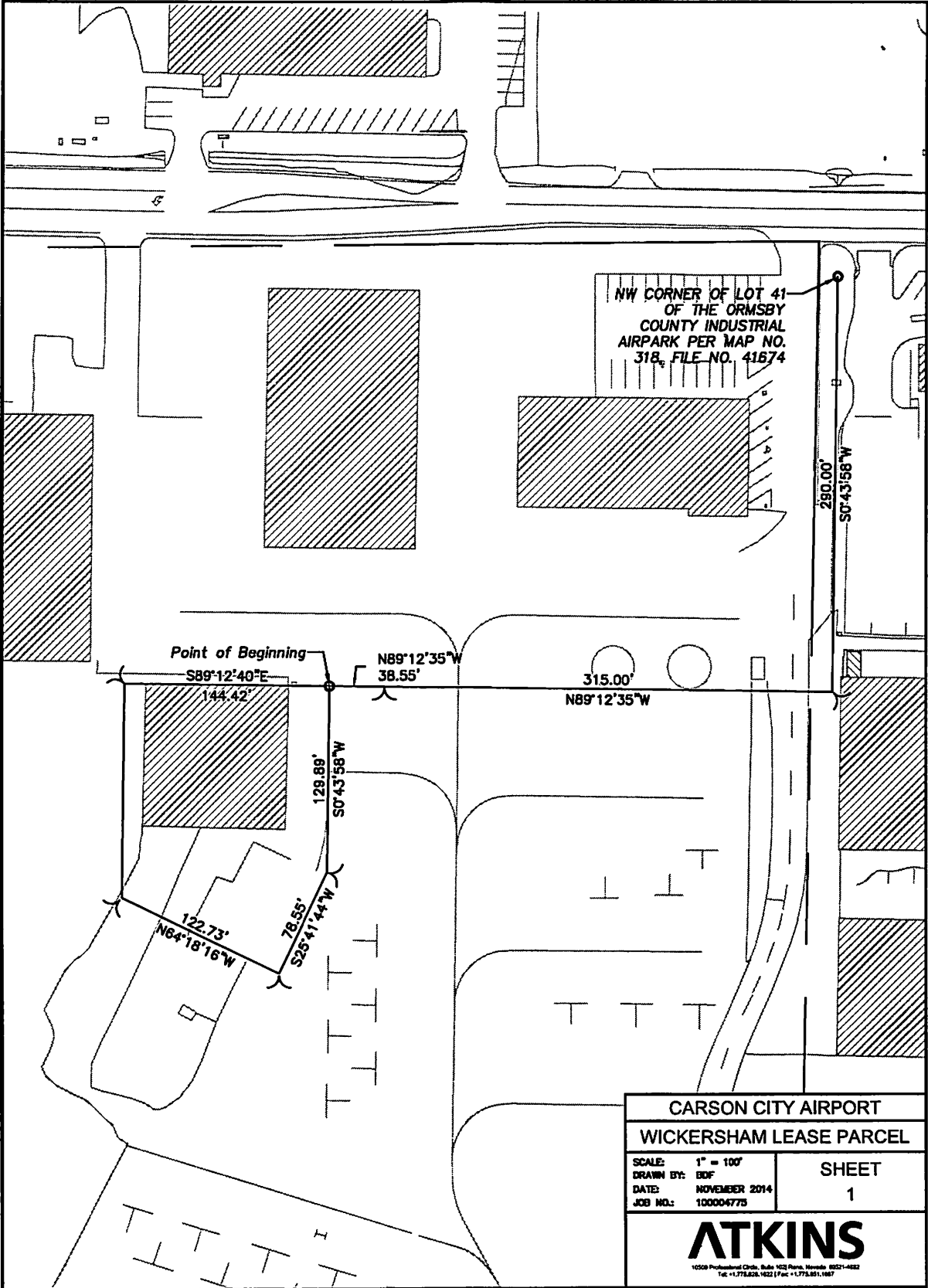
THENCE South 00°43'58" West, 129.89 feet;
THENCE South 25°41'44" West, 78.55 feet;
THENCE North 64°18'16" West, 122.73 feet;
THENCE North 00°43'58" East, 149.44 feet;
THENCE South 89°12'35" East, 144.42 feet and the point of beginning.

Containing 24,990 square feet, more or less.

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

Note:

The above described Legal Description does not create any new parcels. Refer this Legal Description to your title company before incorporating into any legal document.



NW CORNER OF LOT 41
 OF THE ORMSBY
 COUNTY INDUSTRIAL
 AIRPARK PER MAP NO.
 318, FILE NO. 41674

CARSON CITY AIRPORT
WICKERSHAM LEASE PARCEL

SCALE: 1" = 100'	SHEET 1
DRAWN BY: EDF	
DATE: NOVEMBER 2014	
JOB NO.: 100004775	

ATKINS
10200 Professional Circle, Suite 1020 Reno, Nevada 89521-4622
 Tel: +1.775.828.1622 | Fax: +1.775.851.1867