



# STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** Jan 5, 2017

**Staff Contact:** Steven E. Tackes, Esq

**Agenda Title:** For Possible Action: To approve the amendments to extend the airport leases between the Carson City Airport Authority and John Mayes, Ludd Corrao Family Revocable Living Trust, Seibold/Tri-Motor, LLC, Sierra Mountain Air Park South, LLC and Sierra Mountain Air Park North, LLC.

**Staff Summary:** On December 15, 2016, the Carson City Airport Authority requested approval of several lease amendments renewing Airport leases. This is a return of the item after re-negotiating the terms to add terms requested by the Supervisors during the discussion. On December 21, 2016, the Carson City Airport Authority approved revised amendments to the 5 leases identified above. The Amendments negotiated with the tenants extend the term of the leases for approximately 22 years, raise the base rental rate to the appraised value, plus CPI increases going forward, and require the tenants to collectively pay \$109,097.82 toward the Terminal Building renovation project expenses. Pursuant to NRS 844, real property leases at the Airport must also be approved by Carson City.

**Agenda Action:** Formal Action/Motion

**Time Requested:** 15min

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## **Proposed Motion**

I move to approve the amendments to extend the airport leases between the Carson City Airport Authority and John Mayes, Ludd Corrao Family Revocable Living Trust, Seibold/Tri-Motor, LLC, Sierra Mountain Air Park South, LLC and Sierra Mountain Air Park North, LLC.

## **Board's Strategic Goal**

N/A

## **Previous Action**

N/A

## **Background/Issues & Analysis**

NRS 844, Section 9, states that the Carson City Airport Authority may, "with the approval of the Board of Supervisors" lease Airport property. On November 16, 2016, the Airport Authority approved, by majority vote at its regularly scheduled and noticed public meeting, amendments to extend the 4 airport leases held with JOHN MAYES, LUDD CORRAO FAMILY REVOCABLE LIVING TRUST, SEIBOLD/TRI-MOTOR, LLC, SIERRA MOUNTAIN AIR PARK SOUTH, LLC and SIERRA MOUNTAIN AIR PARK NORTH, LLC.

Those leases were entered into, and approved by Carson City in 1994. The term was 50 years. The rental rate was \$0.075/sqft/yr. The use was limited to aircraft storage hangars.

The tenants have requested a renewal of the leases with the new 50 year term starting Jan 1, 2017. From a practical standpoint this results in an extension of the term of their leases of approx 22 years.

Per NRS 496.080 the Authority and the City can renew aircraft storage leases "without conducting a public auction and at a price at least equal to the fair market rental or lease value of the space based on an independent appraisal conducted within 6 months before the rental or lease."

The Airport Authority engaged William Kimmel, MAI appraiser (on the City list of approved appraisers) and he appraised the airport leases concluding that the fair market value of the land leased is \$0.12/sqft/yr. The Tenants are currently paying \$0.11/sqft/yr resulting from the CPI increases in the rent.

Since a one penny increase was felt by some on the Authority to be too small to justify the extension of the lease, and since the Airport had unplanned-for costs to renovate the Terminal Building due to roof leakage issues, the parties negotiated a contribution amount to the Airport in addition to the increased rent. The contribution amount was treated as an opportunity cost and was not treated as rent. In coming up with the opportunity cost calculation, the parties calculated the net present value of an increase in rent above the appraisal value by 2 more cents per sq ft. In effect, this would be the additional payment if the appraisal had come in at \$0.14 instead of \$0.12, but it is being made in a way that allows the Airport to use the funds without having to amortize receipt over the next 50 years.

The resulting flat payment of \$109,097.82 will give the Airport Authority the ability to pay for the Terminal Building project which is currently running about \$105,000.

During the December 15, Board of Supervisors meeting, 3 improvements were requested to the lease amendments. These have been included and are as follows:

1. A provision to adjust the rental rate to the current fair market rate every 10 years. This provision was added with the option left to the Authority so that the Authority could decide whether to pay for a new appraisal, or leave the rental rate at the CPI adjusted rate. If the real properties were to drop in value, it is likely the Authority would not proceed with an appraisal and reset.
2. A provision requiring continued investment and maintenance in the hangars, thus justifying the new amortization period. We came up with an objective measure requiring an additional \$0.03/sqft/yr expenditure to be verified coincident with the rental rate reset at the 10 year intervals. We did this recognizing that some expenditures may be large and only done on a non-annual basis, eg. paving.
3. A provision restricting the use to aircraft storage by way of deed restriction or other mechanism to ensure that the rental rate does not get applied if there were a change of use. Here, we instead put in a provision that has the rent jump up to the appraisal value of a full FBO lease if the use changes. Our last appraisal (2014) of such a lot was at \$0.36/sqft/yr. We have one interlineation on this provision to remove the words "most recent" as to the appraisal so that it is not interpreted to apply to the last appraisal which may have been done years ago. Instead the parties agreed that it would be an appraisal at the time the use was considered for change. While several of these leases will likely never qualify for a changed use due to their location on the Airport, we thought this approach was better for the long term, most efficient use, on the Airport.

As noted at the December 15 meeting, all of these leases are at the same rental rate and term, with the exception that the John Mayes lease was prepaid for the entire 50 years. As a result, Mr. Mayes will pay the difference in rent from \$0.11 to \$0.12 for the next 28 years along with his share of the flat payment. Then, at end of 28 years, his rent will go to the rent paid on the other leases at the then applicable rent rate with the CPI increases that have been applied, or resets that have occurred. In other words, his rent will go to \$0.12/sqft/yr increased at a minimum by 28 years of CPI increases. At that point all 5 of these leases will be making monthly rent payments to the Airport Authority at the same per sqft amount.

### **Applicable Statute, Code, Policy, Rule or Regulation**

NRS 844 Section 9 (City approval of Airport leases)

NRS 496.080 power to extend leases based on independent appraisal

### **Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number: Airport 5051 lease revenue and Airport 5400 miscellaneous revenue

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: This action will result in additional revenue to the Airport Authority. The additional revenue will be used to defray the renovation expenses on the Terminal Building project which had not been budgeted.

**Alternatives**

If the City does not approve the lease amendments, then the Airport Authority will not receive the flat fee contribution and will not receive the increased rent along with CPI increases on the increased rent and the 10 yr reset to market value.

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

**AMENDMENT TO  
CARSON CITY AIRPORT LEASE AGREEMENT  
(JOHN MAYES)**

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 John Mayes (hereinafter referred to as Tenant), whose mailing address is 1905 North Lamar Blvd, Austin, TX 78705.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to extend the term of the lease recorded with the Carson City Recorder as Document Nos 168288, 186154, 201017, assigned to Tenant as Document No. 452600, 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 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 \$26,011.02, 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. As this was a prepaid lease, Tenant may pay the increased amount in a lump sum representing the increased rent from January 1, 2017 through December 31, 2044. At January 1, 2045, the rent shall be adjusted to the rate in place on the other leases extended on this day (Corrao Trust, Tri-Motor, Sierra Mountain Air Park North, i.e. \$0.12/sqft/yr as adjusted under the terms of the lease from January 1, 2017 until January 1, 2045) irrespective of the owners of said parcels at that time, and shall be subject to subject to the standard CPI increase provision set forth in the companion leases (Corrao Trust, Tri-Motor, Sierra Mountain Air Park North) henceforth, i.e. CPI adjusted on 2 year anniversaries going forward).


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. (60162 sqft x .03 x 10= \$18,048). 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  
JOHN MAYES

  
\_\_\_\_\_  
JOHN MAYES

LANDLORD  
CARSON CITY AIRPORT AUTHORITY  
CARSON CITY, NEVADA

  
\_\_\_\_\_  
LINDA CHANDER-LAW, CHAIRMAN

ATTEST:

  
\_\_\_\_\_  
MAURICE WHITE, TREASURER



CARSON CITY

The Board of Supervisors of Carson City, Nevada, pursuant to NRS 844, 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 \_\_\_\_ day of January, 2017.

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL  
Approved as to form.

\_\_\_\_\_  
SUSAN MERIWETHER, Clerk/Recorder

\_\_\_\_\_  
DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL  
Approved as to form

  
\_\_\_\_\_  
STEVEN E. TACKES, ESQ.

**AMENDMENT TO  
CARSON CITY AIRPORT LEASE AGREEMENT  
(LUDD CORRAO FAMILY REVOCABLE LIVING TRUST)**

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 Lud Corrao Family Revocable Living Trust dated November 15, 1984 (hereinafter referred to as Tenant), whose address is P.O. Box 12907, Reno, Nevada 89510.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to extend the term of the lease recorded with the Carson City Recorder as Document No 239344, 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 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

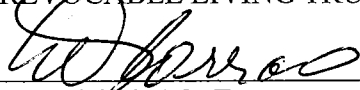


similar or greater rate, approximated as \$0.03/sqft/yr, averaged over a 10 year period. (45,084 sqft x .03 x 10= \$13,525). Upon each 10 year anniversary of January 1, 2017, the Tenant shall report on its improvements to, and maintenance on, the leasehold made during the 10 year period. Upon request, 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~~ <sup>ludc</sup> appraised lease rate for full FBO lots.

D. All other lease terms remain unchanged.

TENANT  
LUDD CORRAO FAMILY  
REVOCABLE LIVING TRUST

  
\_\_\_\_\_  
LUD CORRAO, Trustee

LANDLORD  
CARSON CITY AIRPORT AUTHORITY  
CARSON CITY, NEVADA

  
\_\_\_\_\_  
LINDA CHANDER-LAW, CHAIRMAN

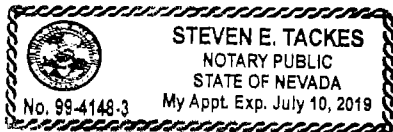
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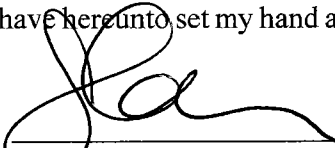
  
\_\_\_\_\_  
MAURICE WHITE, TREASURER

STATE OF NEVADA            )  
  : ss  
COUNTY OF Carson City    )

On this 21 day of Dec, 2016, before me, the undersigned, a Notary Public, personally appeared LUDD CORRAO, Trustee of LUDD CORRAO FAMILY REVOCABLE LIVING TRUST, known to me to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

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



  
\_\_\_\_\_  
NOTARY PUBLIC (SEAL)

CARSON CITY

The Board of Supervisors of Carson City, Nevada, pursuant to NRS 844, 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 \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL  
Approved as to form.

\_\_\_\_\_  
SUSAN MERIWETHER, Clerk/Recorder

\_\_\_\_\_  
DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL  
Approved as to form

  
\_\_\_\_\_  
STEVEN E. TACKES, ESQ.

**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.

*liel*

D. All other lease terms remain unchanged.

TENANT  
TRI-MOTOR LLC  
A Nevada limited liability company

*John Mayes*  
*Earl J. Seibold*, Manager

LANDLORD  
CARSON CITY AIRPORT AUTHORITY  
CARSON CITY, NEVADA

*Linda Chandler-Law*  
LINDA CHANDER-LAW, CHAIRMAN

ATTEST:

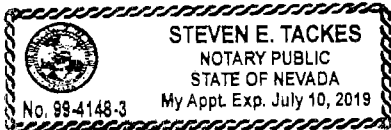
*Maurice White*  
MAURICE WHITE, TREASURER

STATE OF NEVADA )

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)

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 \_\_\_\_ day of January, 2016.

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL  
Approved as to form.

\_\_\_\_\_  
SUSAN MERIWETHER, Clerk/Recorder

\_\_\_\_\_  
DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL  
Approved as to form

  
\_\_\_\_\_  
STEVEN E. TACKES, ESQ.

**AMENDMENT TO  
CARSON CITY AIRPORT LEASE AGREEMENT  
(SIERRA MOUNTAIN AIR PARK SOUTH, 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 Sierra Mountain Air Park South, LLC, a Nevada limited liability company (hereinafter referred to as Tenant), whose address is 9400 Gateway Drive, Reno, Nevada 89511.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to extend the term of the lease recorded with the Carson City Recorder as Document No 168290, assigned to Tenant in Document No 239313, 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 \$24,449.38, 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.

(56,550 sqft x .03 x 10= \$16,965). 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  
SIERRA MOUNTAIN AIR PARK SOUTH,  
LLC, A Nevada limited liability company

  
DAVID CORRAO, Manager

LANDLORD  
CARSON CITY AIRPORT AUTHORITY  
CARSON CITY, NEVADA

  
LINDA CHANDER-LAW, CHAIRMAN

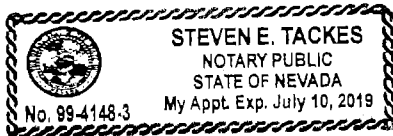
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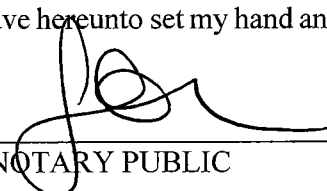
  
MAURICE WHITE, TREASURER

STATE OF NEVADA            )  
  : ss  
COUNTY OF CARSON CITY )

On this 21 day of December, 2016, before me, the undersigned, a Notary Public, personally appeared DAVID CORRAO, Manager of SIERRA MOUNTAIN AIR PARK NORTH, 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.



  
NOTARY PUBLIC (SEAL)

CARSON CITY

The Board of Supervisors of Carson City, Nevada, pursuant to NRS 844, 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 \_\_\_\_ day of January, 2016.

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL  
Approved as to form.

\_\_\_\_\_  
SUSAN MERIWETHER, Clerk/Recorder

\_\_\_\_\_  
DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL  
Approved as to form

  
\_\_\_\_\_  
STEVEN E. TACKES, ESQ.



**AMENDMENT TO  
CARSON CITY AIRPORT LEASE AGREEMENT  
(SIERRA MOUNTAIN AIR PARK NORTH, 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 Sierra Mountain Air Park North, LLC, a Nevada limited liability company (hereinafter referred to as Tenant), whose address is 9400 Gateway Drive, Reno, Nevada 89511.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to extend the term of the lease recorded with the Carson City Recorder as Document No 168290, assigned to Tenant in Document No 239314, 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 \$19,653.32, 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.

(45,457 sqft x .03 x 10= \$13,637). 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.

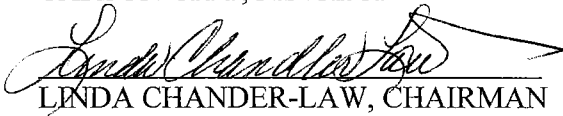
C. In the event that the leasehold use is modified to allow for FBO use beyond aircraft storage, then the lease rate shall convert to the ~~most recently~~ <sup>most recent</sup> appraised lease rate for full FBO lots.

D. All other lease terms remain unchanged.

TENANT  
SIERRA MOUNTAIN AIR PARK NORTH,  
LLC, A Nevada limited liability company

  
DAVID CORRAO, Manager

LANDLORD  
CARSON CITY AIRPORT AUTHORITY  
CARSON CITY, NEVADA

  
LINDA CHANDER-LAW, CHAIRMAN

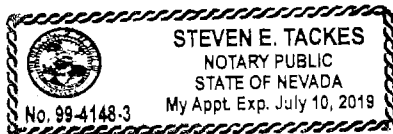
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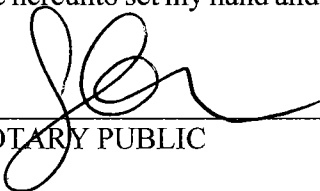
  
MAURICE WHITE, TREASURER

STATE OF NEVADA            )  
  ): ss  
COUNTY OF Carson City )

On this 21 day of Dec, 2016, before me, the undersigned, a Notary Public, personally appeared DAVID CORRAO, Manager of SIERRA MOUNTAIN AIR PARK NORTH, 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.



  
NOTARY PUBLIC (SEAL)

CARSON CITY

The Board of Supervisors of Carson City, Nevada, pursuant to NRS 844, 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 \_\_\_\_ day of January, 2016.

\_\_\_\_\_  
ROBERT L. CROWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL  
Approved as to form.

\_\_\_\_\_  
SUSAN MERIWETHER, Clerk/Recorder

\_\_\_\_\_  
DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL  
Approved as to form

  
\_\_\_\_\_  
STEVEN E. TACKES, ESQ.