



## STAFF REPORT

**Report To:** Board of Supervisors **Meeting Date:** May 7, 2020

**Staff Contact:** Nancy Paulson, City Manager

**Agenda Title:** For Possible Action: Discussion and possible action regarding a proposed amendment to the Cooperative Agreement for Airport Authority to Manage Carson City's Airport between Carson City and the Carson City Airport Authority (CCAA), effective May 17, 1990 through May 17, 2020, to extend the agreement for one year to terminate on May 17, 2021. (Kenneth Moen, kmoen@flycarsoncity.com)

Staff Summary: This "Second Amendment" to the Cooperative Agreement for Airport Authority to Manage Carson City's Airport (Agreement) is to extend the term of the Agreement by one year, to terminate on May 17, 2021 so that the parties may have ample time to negotiate a new agreement. All other terms and conditions of the Agreement are unaffected by this proposed amendment.

**Agenda Action:** Formal Action / Motion **Time Requested:** Consent

### Proposed Motion

I move to approve the Amendment as presented.

### Board's Strategic Goal

Efficient Government

### Previous Action

May 17, 1990: The Board of Supervisors approved and entered into the Agreement with the CCAA in accordance with the Airport Authority Act for Carson City.

October 6, 2016: The Board of Supervisors and the CCAA executed a First Amendment to the Agreement, effective through the term of the Agreement, to allow employees of the CCAA to participate in health, dental, vision and life insurance plans that are provided to City employees.

### Background/Issues & Analysis

The CCAA was created by the Nevada Legislature with the passage and approval of Senate Bill No. 255 during the 1989 (65th) Legislative Session, made effective on October 1, 1989 as a special act of the Legislature and generally known as the Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989 (Act). On May 17, 1990 and in accordance with the Act, the City and the CCAA entered into an agreement captioned as the Cooperative Agreement for Airport Authority to Manage Carson City's Airport (Agreement). The Agreement established provisions for the transfer of property and certain rights and obligations of the parties relating to the Carson City Airport, and established a term of 30 years for the Agreement to expire on May 17, 2020. The Agreement was amended once before on October 6, 2016 for the purpose of allowing the CCAA employees to participate in the City's health, dental, vision and life insurance plans (First Amendment). The term of the First Amendment runs concurrently with the term of the Agreement. This Second Amendment to the Agreement is

proposed for the sole purpose of extending the termination date of the Agreement by one year, to May 17, 2021, so that the parties may have additional time to review and negotiate a new agreement setting forth revised rights and obligations of the City and the CCAA as they relate to the Carson City Airport.

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

The Airport Authority Act for Carson City, Chapter 844 Statutes of Nevada 1989; NRS Chapter 277

**Financial Information**

**Is there a fiscal impact?** No

**If yes, account name/number:**

**Is it currently budgeted?**

**Explanation of Fiscal Impact:**

**Alternatives**

- 1. Do not approve the amendment.
- 2. Modify the proposed extension date in the amendment.

**Attachments:**

[Second Amendment to Co-Op Agreement\\_City\\_CCAA.docx](#)

[2016 10 06 Co-Op amendment--signed CCAA-City agreement to allow health i....pdf](#)

[20200310171136283.pdf](#)

**Board Action Taken:**

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

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

**SECOND AMENDMENT TO COOPERATIVE AGREEMENT FOR  
AIRPORT AUTHORITY TO MANAGE CARSON CITY'S AIRPORT**

This Second Amendment to Cooperative Agreement for Airport Authority to Manage Carson City's Airport ("SECOND AMENDMENT") is hereby made by and between Carson City, a consolidated municipality and political subdivision of the State of Nevada ("City") and the Carson City Airport Authority ("Authority"), a quasi-municipal corporation, each of whom may hereinafter be referred to individually as "Party" and collectively as "Parties."

WITNESSETH:

WHEREAS, the Authority was created by the Nevada Legislature with the passage and approval of Senate Bill No. 255 during the 65th Legislative Session (1989), made effective on October 1, 1989 as a special act of the Legislature and generally known as the Airport Authority Act for Carson City and codified at Chapter 844 Statutes of Nevada 1989 (the "Act"); and

WHEREAS, on May 17, 1990 the City and the Authority entered into an agreement captioned as the Cooperative Agreement for Airport Authority to Manage Carson City's Airport ("AGREEMENT") in accordance with the Act and NRS Chapter 277 which authorizes two or more political subdivisions to enter into such agreements for the performance of any governmental function, including the furnishing or exchange of personnel, equipment, property or facilities of any kind, or the payment of money; and

WHEREAS, the Parties executed a First Amendment ("FIRST AMENDMENT") to the AGREEMENT on October 6, 2016, effective through the term of the AGREEMENT, for the purpose of allowing the Authority to participate in health, dental, vision and life insurance plans that are provided to City employees, if permitted by the City's benefits providers; and

WHEREAS, paragraph 16 of the AGREEMENT establishes a contract term of thirty years from the date of execution and the AGREEMENT is therefore set to expire on May 17, 2020; and

WHEREAS, paragraph 16 of the AGREEMENT authorizes the Parties to renew the AGREEMENT upon mutual negotiation and paragraph 19 of the AGREEMENT requires that any modifications thereto be mutually agreed upon in writing; and

WHEREAS, the Parties have mutually decided that in the best interest of the City and the Authority, the AGREEMENT should be extended beyond its current date of termination so that the Parties may have the necessary time to negotiate a new cooperative agreement;

NOW THEREFORE, based on the mutual exchange of promises and good and valuable consideration, the sufficiency of which is acknowledged, the Parties do hereby covenant and agree as follows:

SECOND AMENDMENT TERMS:

1. The term of the AGREEMENT and the FIRST AMENDMENT is extended for one year, to terminate on the close of business day on May 17, 2021.
2. No other terms of the AGREEMENT or the FIRST AMENDMENT are affected by this SECOND AMENDMENT.
3. This SECOND AMENDMENT is effective immediately upon approval by the governing bodies of each Party and from the date on which the last required signature is affixed hereto.

For the City:

\_\_\_\_\_  
ROBERT L. CROWELL  
Carson City Mayor

\_\_\_\_\_  
Date

For the Authority:

\_\_\_\_\_  
Airport Authority Board Chair

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
AUBREY ROWLATT, Clerk-Recorder

CITY'S LEGAL COUNSEL  
Approved as to form:

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

AIRPORT AUTHORITY COUNSEL  
Approved as to form:

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



# STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** 10-6-16

**Staff Contact:** Melanie Bruketta, HR Director

**Agenda Title:** Discussion and possible action to approve the First Amendment to Cooperative Agreement Between Carson City Airport Authority and Carson City to allow the Authority to participate in the health, dental, vision and life insurance plans for its employees that are provided to City employees, if allowed by the benefit providers. (Melanie Bruketta, mbruketta@carson.org)

**Staff Summary:** Nevada Revised Statutes (NRS) 277.180 allows the Authority and the City to enter into interlocal cooperative agreements. On May 17, 1990, the Authority entered into an agreement with the City that requires the City to "make available to Authority such officers, employees, facilities and equipment as requested by the Authority for the necessary operations and maintenance of the airport." This Amendment to the interlocal cooperative agreement permits the Authority to participate in the health, dental, vision and life insurance plans provided to City employees which will allow the Authority to reduce its current costs and better use its assets to advance the City's economic growth via the airport.

**Agenda Action:** Formal Action/Motion

**Time Requested:** 10 minutes

## Proposed Motion

I move to approve the First Amendment to Cooperative Agreement Between Carson City Airport Authority and Carson City to allow the Authority to participate in the health, dental, vision and life insurance plans for its employees that are provided to City employees, if allowed by the benefit providers.

## Board's Strategic Goal

Economic Development

## Previous Action

On May 17, 1990, the Airport Authority and the City entered into Cooperative Agreement for Airport Authority to Manage Carson City's Airport.

## Background/Issues & Analysis

Nevada Revised Statutes (NRS) 277.180 allows the Authority and the City to enter into interlocal cooperative agreements. On May 17, 1990, the Authority entered into an agreement with the City that requires the City to "make available to Authority such officers, employees, facilities and equipment as requested by the Authority for the necessary operations and maintenance of the airport." This Amendment to the interlocal cooperative agreement permits the Authority to participate in the health, dental, vision and life insurance plans provided to City employees which will allow the Authority to reduce its current costs and better use its assets to advance the City's economic growth via the airport.

This Agreement is only to allow the Authority employees to elect to participate in the City's benefit plans. The employees remain employees of the Authority and the Authority agrees to pay the costs associated with the plans.

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

NRS 277.180; NRS 844; Cooperative Agreement for Airport Authority to Manage Carson City's Airport May 17, 1990.

**Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number: N/A

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: N/A

**Alternatives**

The Board of Supervisors may elect not to approve this amendment to the current Cooperative Agreement.

**Board Action Taken:**

Motion: App

- 1) BB
- 2) JS

Aye/Nay RC abstain  
 \_\_\_\_\_  
 \_\_\_\_\_ 4/0  
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 \_\_\_\_\_

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

**FIRST AMENDMENT TO COOPERATIVE AGREEMENT**  
**BETWEEN**  
**CARSON CITY AIRPORT AUTHORITY**  
**AND CARSON CITY**

This amendment is made and entered into this 14<sup>th</sup> day of October 2016, by and between CARSON CITY, a consolidated municipality of the State of Nevada hereinafter "CITY" and the CARSON CITY AIRPORT AUTHORITY, a subdivision of the State of Nevada created under NRS Chapter 844, hereinafter "the AUTHORITY". CITY and AUTHORITY are collectively referred to as the "parties".

**WITNESSETH:**

WHEREAS, the parties executed a Cooperative Agreement on or about May 17, 1990, shortly after the creation of the AUTHORITY by the Nevada State Legislature, through the passage of S.B. 255 (now NRS Chapter 844; Special Acts); and

WHEREAS, NRS 844, Section 9, subsection 4 states that the Authority may "Use, in the performance of its functions, the officers, employees, facilities and equipment of Carson City, with the consent of Carson City and subject to such terms and conditions as may be agreed upon by the Board and the Board of Supervisors."; and

WHEREAS, the AUTHORITY, to reduce costs and to better use its assets to advance the CITY's economic growth via the airport, desires to provide insurance for the AUTHORITY employees via the CITY; and

WHEREAS, the CITY is willing and able to perform the services described herein; and

WHEREAS, pursuant to NRS 277.180, the CITY and the AUTHORITY are public agencies that are authorized to cooperate in the performance of this interlocal cooperative agreement; and

WHEREAS, the AUTHORITY does not presently offer all of the benefits included in the CITY insurance package and will likely only select the components deemed suitable to the AUTHORITY; and

NOW, THEREFORE, in consideration of the promises and of the mutual covenants set forth herein, it is agreed as follows:

CITY AGREES:

To allow the AUTHORITY to participate in the health, dental, vision and life insurance plans for its employees that are provided to CITY employees, if allowed by the benefit providers. The AUTHORITY will:

1. Determine whether and to what extent the benefit levels and components will be offered to its employees.
2. Pay the AUTHORITY'S portion of the premiums for the AUTHORITY employees by the 10<sup>th</sup> of each month.
3. Administer its own AUTHORITY payroll.
4. Transition the exit of the current AUTHORITY employees from their current insurance provider (Public Employees Benefit Program).
5. Be responsible for enrolling each eligible AUTHORITY employee into the Nevada Public Employer's Retirement System (PERS).
6. Provide for and manage its unemployment and worker's compensation insurance claims, EEOC claims and employment related lawsuits, if any.



7. Be responsible for complying with any federal or state reporting requirements.

The CITY will:

1. Continue to be the entity which negotiates all benefit contracts;
2. Provide the current benefit information to the Chairman of the AUTHORITY once approved by the Carson City Board of Supervisors, and thereafter as such CITY negotiations and benefits change.
3. Provide, at no additional cost to the AUTHORITY, the CITY administration services associated with inclusion of the AUTHORITY employees in the benefit plans, or the components selected for inclusion by the AUTHORITY;

IT IS MUTUALLY AGREED:

1. The term of this Agreement will follow the term of the underlying Cooperative Agreement (which expires May 17, 2020).
2. Either party may terminate this Agreement without cause upon thirty (30) days written notice to the other party. Each party agrees to perform their respective duties hereunder until terminated or the end of the term, whichever first occurs.
3. This Agreement, along with the underlying Cooperative Agreement, constitutes the entire agreement of the parties and as such, is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise

expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the Parties unless the same is in writing and signed by the respective Parties hereto and approved by each Parties' respective counsel.

4. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other Party at the addresses set forth below:

FOR CITY:

City Manager of Carson City  
201 N. Carson Street, Suite 2  
Carson City, NV 89701  
(775) 887-2100  
[nmarano@carson.org](mailto:nmarano@carson.org)

FOR AUTHORITY:

Chairman, Carson City Airport Authority  
2600 College Parkway, #6  
Carson City, NV 89701  
(775) 841-2255

5. To the fullest extent of NRS Chapter 41 liability limitations, each Party shall indemnify, hold harmless and defend, not excluding the others' right to participate, the other from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the Party, its officers, employees or agents. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity

which would otherwise exist as to any Party or person described herein. This indemnification obligation is conditioned upon receipt of written notice by the indemnifying Party within 30 days of the indemnified Party's notice of an actual or pending claim or cause of action. The indemnifying Party shall not be liable to hold harmless any attorney's fees or costs incurred by the indemnified Party if the indemnified Party elects to participate in any litigation or arbitration with legal counsel of its own choice.

6. The laws of the State of Nevada shall be applied in interpreting and construing this Agreement.
7. The illegality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the agreement.
8. Nothing contained in this Agreement is intended to convey any rights or to create a contractual relationship with any third party or to otherwise allow a third party to assert a cause of action against either the CITY or AUTHORITY arising from, or related to, this Agreement.
9. Each Party agrees to keep and maintain under generally accepted accounting principles full, true and complete records and documents pertaining to this Agreement and will present, at any reasonable time, such information for inspection, examination, review, audit and copying at any office where such records and documentation is maintained.
10. Neither Party shall assign, transfer or delegate any rights, obligations or duties under this Agreement without the prior written consent of the other Party.

11. The Parties hereto represent and warrant that the person executing this Agreement on behalf of each Party has full power and authority to enter into this Agreement and that the Parties are authorized by law to perform the services set forth herein.
12. Failure of either Party to perform any obligation of this Agreement shall be deemed a breach. Except as otherwise provided for by law or this Agreement, the rights and remedies of the Parties shall not be exclusive and are in addition to any other rights, remedies provided by law or equity, including but not limited to actual damages incurred, and reasonable attorney's fees and costs incurred by the prevailing Party.
13. The Parties will not waive, and intend to assert, available NRS Chapter 41 liability limitation in all cases. The Parties expressly waive any claim for punitive damages and understand that the sole remedy for any willful or intentional misconduct shall be for a public officer, removal or recall of that officer for malfeasance, if adequate grounds exist and the process for removal or recall is followed, and for an employee, the sole remedy shall be discipline up to and including termination.
14. Any future modification of this Agreement shall be subject to the provisions covered by this Agreement and approval of such modification shall be in writing and signed by a representative of each Party.
15. The CITY and AUTHORITY will meet annually to discuss the Cooperative Agreement. All City Departments involved in the Agreement will be represented (if they so choose) in the annual meeting. Any changes to the Agreement will be

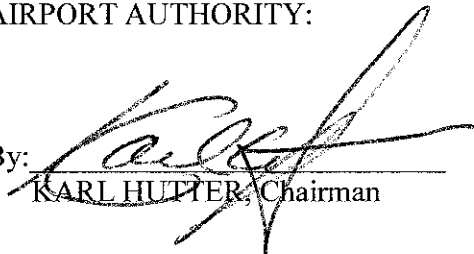
presented to both the Board of Supervisors and the Carson City Airport Authority  
for approval.

IN WITNESS WHEREOF, the parties hereby entered into this AMENDMENT  
on the day and year first above-written.

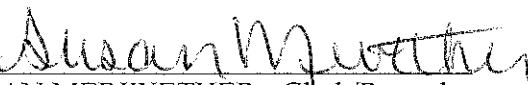
CARSON CITY:

By:   
ROBERT L. CROWELL, Mayor

AIRPORT AUTHORITY:

By:   
KARL HUTTER, Chairman

ATTEST:

By:   
SUSAN MERIWETHER - Clerk/Recorder

ATTEST:

By:   
MAURICE WHITE,  
Secretary/Treasurer

Approved as to legality and form:

  
Deputy District Attorney

Approved as to legality and form:

  
STEVEN E. TACKES, Airport Counsel

Expires  
5/2020

COOPERATIVE AGREEMENT FOR AIRPORT AUTHORITY  
TO MANAGE CARSON CITY'S AIRPORT

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This cooperative agreement is made and entered into this 17<sup>th</sup> day of May, 1990, by and between CARSON CITY, a consolidated municipality of the State of Nevada hereinafter "CITY" and the CARSON CITY AIRPORT AUTHORITY, a quasi-municipal corporation, hereinafter "the AUTHORITY".

W I T N E S S E T H:

WHEREAS, the Nevada State Legislature, through the passage of S.B. 255, created the AUTHORITY; and

WHEREAS, the members of the AUTHORITY have been appointed and sworn to serve; and

WHEREAS, Section 26 of S.B. 255 requires the CITY and the AUTHORITY to enter into an agreement for the transfer of properties, functions and obligations regarding the Carson City Airport on and after January 1, 1990; and

WHEREAS, under NRS 277.045 any two or more political subdivisions of the State may enter into a cooperative agreement; and

WHEREAS, by a letter opinion dated August 25, 1989, the Federal Aviation Administration has determined that the Carson City Airport Authority does not have sufficient legal, financial, and other necessary ability to act as an airport sponsor under the Federal Airport Improvement Program; and

WHEREAS, said letter of opinion is attached hereto and incorporated herein as Exhibit 1; and

WHEREAS, CITY desires to remain the landowner and sponsor for Federal aid under the Federal Airport Improvement Program and further desires the AUTHORITY to manage the Carson City Airport consistent with the

1 certifications, representations, warranties, assurances and covenants  
2 contained in CITY's grants with the Federal Government.

3 NOW, THEREFORE, for good and valuable consideration as evidenced  
4 by the mutual covenants set forth herein the parties agree as follows:

5 1. Upon execution of this agreement CITY shall allow AUTHORITY,  
6 its agents, servants and employees to enter upon, operate, improve, maintain  
7 and control the real property commonly known as the Carson City Airport and  
8 more particularly described as follows:

9 The combined real properties made up of:

10 Assessor's parcel number (APN) 8-131-02

11 APN 8-131-24

12 APN 8-201-04

13 APN 8-201-06

14 APN 8-131-17 (clear zone on the west)

15 Any alterations to land or buildings, excluding normal maintenance  
16 and repair, located at the above-described real property shall be subject to  
17 CITY's prior written approval until the Airport Authority is recognized by  
18 F.A.A. as a grant sponsor.

19 2. AUTHORITY agrees to manage, control, operate, improve and  
20 maintain said Carson City Airport consistent with the provisions of S.B. 255  
21 until such time as the F.A.A. recognizes Authority as having the ability to  
22 act as a grant sponsor. At said time the parties will negotiate and  
23 complete further transfer of airport properties. Said law is attached  
24 hereto and incorporated herein as Exhibit 2.

25 Since CARSON CITY is obligated to keep the runway approaches clear  
26 of obstructions, the parties agree that the AUTHORITY shall maintain all  
27 runways, runway approaches and taxiways in a good and workmanlike manner.

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3. CITY agrees to make available to AUTHORITY such officers, employees, facilities and equipment as requested by AUTHORITY for the necessary operations and maintenance of the airport. CITY will use its best efforts to supply, upon written request, said officers, employees facilities and equipment so long as said efforts do not adversely impact normal CITY operations.

CITY shall charge the AUTHORITY for the use of its officers, employees, facilities and equipment pursuant to the CITY's cost allocation program. An illustrative example of a portion of said program is attached hereto and incorporated herein as Exhibit 3. The parties agree that this program may be periodically updated with new costs by the CITY's finance department in accordance with actual services utilized and actual costs incurred by the CITY to provide the service.

Nothing in this provision is meant to limit the ability of the AUTHORITY to hire its own officers and employees and to acquire its own equipment.

4. CITY shall transfer all airport monies, excluding expenditures and Federal grant monies, to the AUTHORITY as soon as the AUTHORITY has established the proper account or accounts to receive said monies. The parties intend that AUTHORITY'S separate budget shall be in place as of July 31, 1990. The AUTHORITY may use all or part of said monies prior to the transfer so long as CITY gives its prior written approval of said use.

5. Airport budget-type accounts receivable which are due and owing to the CITY prior to January 1, 1990 shall be assigned to the AUTHORITY. Liabilities and accounts payable by CITY to others under the airport budget prior to January 1, 1990 shall be delegated to the AUTHORITY for payment.



1 All rights and duties to manage, operate and maintain the Carson  
2 City Airport after January 1, 1990 shall be the sole responsibility of the  
3 AUTHORITY.

4 6. CITY shall transfer ownership of the items of personal  
5 property set forth on Exhibit 4, excluding the Crash and Rescue Truck known  
6 as Engine 5, to the AUTHORITY as soon as possible after execution of this  
7 Agreement. The CITY and AUTHORITY agree the Crash and Rescue Truck known as  
8 Engine 5 is half owned by the AUTHORITY and half owned by the CITY in  
9 recognition of the AUTHORITY purchasing the Truck and the CITY purchasing  
10 the equipment on the truck. The CITY will continue to operate, maintain and  
11 equip the truck. The truck will continue to be housed at Fire Station #2.  
12 The crack sealer will be transferred to the AUTHORITY, however, the CITY may  
13 use it with approval by the AUTHORITY.

14 7. Although CITY will remain the landlord, CITY hereby assigns  
15 its contractual rights and delegates its contractual duties to the AUTHORITY  
16 on the following airport master leaseholds:

- 17 A. Cubix Corp. - Parcel W1-C
- 18 B. El Aero Services - Parcels W1A, W1-B, W1-D, W1-E, W1-F,  
(and addendums) .014, .015, .016, .017, .006
- 19 C. Hanger 7, Inc. - Parcels .007, 009, .013
- 20 D. Mentors Unlimited - Parcel
- 21 E. Sage Air - Parcels W2-A, W2-B  
(and addendums)
- 22 F. Silverflite, Inc. - Parcel .012  
(and addendums)
- 23 G. Thomas/Comstock Aviation - Parcel .010  
(and addendums)

24 8. CITY hereby assigns its rights and delegates its duties to  
25 the AUTHORITY in that certain maintenance contract for the airport security  
26 gates. Said contract was entered into on the 31st day of December, 1988,  
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between the CITY and Artistic Fence Co.

City also assigns its rights and delegates its duties to administer and operate the pass-card program for airport access as set forth in Resolution No. 1986-R-54.

9. AUTHORITY hereby agrees to be bound by and to comply with any and all agreements which CITY now has with the landowners directly adjacent to the Carson City Airport. Illustrative, but not necessarily all inclusive, are the CITY's agreements with: The JohnD Winters Family Trust dated November 16, 1984 and recorded at Book 381 at pages 083 through 095; CITY's easement agreement with Precision Founders for airpark lots 72-B and 72-C; CITY's lease with the Civil Air Patrol dated August 19, 1982 and addendum to lease dated April 2, 1987 for lot 72-A; and CITY's agreements with Physical Systems, Inc. regarding its purchase of lot 65 located at 2151 Lockheed Way.

10. CITY hereby agrees to make available to AUTHORITY for inspection and copying any and all Carson City Airport maps and the Carson City Airport Master Plan.

11. AUTHORITY hereby agrees to work with CITY to enforce all provisions of CCMC Title 19 (Airport Rules and Regulations) until such time as the AUTHORITY desires to and implements comprehensive rules for the management, operation and control of the Carson City Airport.

12. CITY agrees that it shall maintain such insurance as will protect the CITY from all claims under 1) Workmen's Compensation; 2) Personal liability; 3) Property damage and all other claims for damages, including personal injury and death, which may arise out of the CITY's operations at the airport.

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13. AUTHORITY agrees that it shall furnish and maintain:

1) in an amount acceptable to the CITY and not less than one million dollars per occurrence, such general liability insurance as shall protect AUTHORITY from claims for, but not limited to, bodily injury, sickness, disease, death or property damage arising or resulting from its use, occupancy, activities, operations, products or performance, or that of any contractor, person, firm or employee directly or indirectly employed by AUTHORITY on CITY property, or on behalf of the AUTHORITY or CITY, or in fulfillment of any obligations or services under contract; and

2) workers compensation insurance as required by law.

AUTHORITY's insurance shall be primary as respects CITY, its officers, employees and volunteers. Any other coverage (insurance or otherwise) available to CITY shall be excess over the insurance required and shall not contribute with it.

The insurance requirements specified herein do not relieve AUTHORITY of its responsibility or limit the amount of its liability to CITY or other persons and AUTHORITY is encouraged to purchase such additional insurance as AUTHORITY deems necessary.

CITY agrees to maintain public officials errors or omissions liability insurance for CITY and AUTHORITY in the amount of at least \$1,000,000 per occurrence with any deductible to be absorbed by CITY. AUTHORITY will pay CITY and AUTHORITY's share of any premiums.

CITY agrees to maintain personal property insurance subject to AUTHORITY bearing the first \$500 of any claim. AUTHORITY will pay CITY the AUTHORITY's share of any premiums.

14. The CITY and AUTHORITY agree to act in a cooperative manner in securing and administering any federal grants. The AUTHORITY is responsible for determining the types of grants the CITY shall apply for.

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The CITY through its grants administrator, shall be responsible for the grant applications. Mutual agreement by the parties is required on receipts, and disbursements in accordance with the grants. The CITY shall secure an annual audit of the grants through its city-wide audit. The AUTHORITY shall transfer to the CITY the local matching share of the grants at the time of grant approval.

AUTHORITY agrees to be bound by any and all duties previously imposed and to be imposed upon Carson City by the Federal Aviation Administration concerning the Carson City Airport. AUTHORITY hereby warrants that it shall not take any action which will impair any of CITY's agreements with the Federal Aviation Administration. AUTHORITY agrees to communicate with representatives of the Federal Aviation Administration in order to have a clear understanding of all requirements involved. The parties agree that since the CITY remains the sponsor for past and future F.A.A. grants that CITY may, at any time, with or without notice, cure any breach of CITY's assurances with the F.A.A. CITY's costs to cure any breach specifically created by the actions of the AUTHORITY shall be paid by the AUTHORITY.

\* \* 15. The parties agree that there are no existing claims or lawsuits against CITY, its agents, servants and employees, regarding any facet of the Carson City Airport at the time of execution of this contract.

16. This Agreement shall be valid for a term of THIRTY (30) years from the date of execution unless earlier terminated for cause or by mutual agreement. The parties may thereafter renew based upon mutual negotiation and agreement.

17. AUTHORITY warrants that it shall manage, operate, control and maintain the Carson City Airport in accordance with all Federal, State and local laws, rules, regulations, statutes and ordinances.

///

18. The parties agree that this contract shall be interpreted under Nevada law.

19. The parties agree that this is the entire understanding of said parties. Any modifications to the contract must be mutually agreed to in writing.

IN WITNESS WHEREOF, the parties hereby entered into this contract on the day and year first above-written.

CARSON CITY:

AIRPORT AUTHORITY:

By Marv Teixeira  
MARV TELXEIRA, Mayor

By Bob Thomas  
BOB THOMAS, Chairman

ATTEST:

ATTEST:

Alan Glover  
ALAN GLOVER - Clerk/Recorder

Jerry Weaver  
JERRY WEAVER - Secretary

Approved as to legal form:

By Robert L. Waters  
NOEL S. WATERS, District Attorney

Approved as to financial impact:

Mary C Walker  
MARY WALKER, Finance Director

Risk Management approval

John Berkich  
John Berkich