



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** November 17, 2022

Staff Contact: Corey Jenkins, Airport Manager

Agenda Title: For Possible action: Discussion and possible action regarding a proposed amendment (“Amendment”) to the lease agreement (“Lease”) between Mountain West Aviation, LLC (“Mountain West”) and the Carson City Airport Authority (“Airport”) that would correct and reduce the amount of square footage being leased by Mountain West. (Steve Tackes, kcnvlaw.com and Corey Jenkins, cjenkins@flycarsoncity.com)

Staff Summary: The Lease was originally executed by Eagle Valley Fuel, LLC (“Eagle Valley”) in 1996, then subsequently assigned to Mountain West and amended. The current Lease will expire on September 4, 2050. A recent survey of the area leased by Mountain West showed that the area used and improved by Mountain West is smaller than the area leased under the Agreement. The Amendment would reduce the leased area from 0.89 acres (38,768.40 square feet) to 0.8575 acres (37,351 square feet) so that the leased area corresponds to Mountain West’s actual use. The Amendment would also, prospectively and retroactively, reduce Mountain West’s annual lease payment, resulting in a \$552.63 refund to Mountain West for past overpayments.

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

Proposed Motion

I move to approve the Amendment as presented.

Board's Strategic Goal

Economic Development

Previous Action

July 3, 1996: The Board of Supervisors (“Board”) approved the Lease between Airport and Eagle Valley, for lots 44 and 45, comprising approximately 2.39 acres of Airport property, for a term of 50 years.

June 7, 2007 (Item #5-3): The Board approved the assignment of the Lease from Eagle Valley to Mountain West.

September 4, 2008 (Item #3-1): The Board approved the following changes concerning the 2.39 acres leased by Mountain West: (1) an amendment to the Lease reduced the area of Mountain West’s fuel lease to 0.89 acres (38,768.4 square feet); (2) a new agreement allowed Mountain West to lease the remaining 1.5 acres of the leased area for hangars; and (3) an assignment of the 1.5-acre lease agreement from Mountain West to KCXP Investments.

Background/Issues & Analysis

On July 3, 1996, the Board approved the Lease, which allowed Eagle Valley to lease 2.39 acres of Airport land for an initial term of 50 years. Around July 7, 2007, Eagle Valley's interest in the Lease was assigned to Mountain West. Then, around September 4, 2008, 1.5 acres of the original 2.39 acres leased was assigned to a third-party (KCXP Investments) to operate hangars, with the remaining 0.89 acres still leased to Mountain West under the Lease for the operation of a fuel facility.

The changes made to the Lease around September 4, 2008 were motivated by the Airport's 2008 efforts to implement its Master Plan, including a re-alignment of the runway to better fit the overall Airport land footprint. That realignment made it necessary to relocate the parcels rented by Mountain West, with one parcel used as a fuel island and the other reserved for future expansion. The Airport and Mountain West agreed to move the fuel island parcel across Taxiway Bravo to the location it currently occupies, with the design and construction of that relocation completed by the Airport through Airport Improvement Program grant funds from the Federal Aviation Administration.

For that fuel island parcel, the Airport's engineer provided the lot description and size for use in the September 4, 2008 amendment to the Lease.

The Airport learned via the recent survey that the area of land actually used for Mountain West's fuel island is less than the area described, in reliance on Airport's engineer, in the September 4, 2008, amendment to the Lease. The corrected lease area description for the fuel island is 1,417 square feet smaller than the 0.89-acre description in the Lease.

As a result, Mountain West and the Airport have agreed to the Amendment, which corrects lease area to align the lease boundaries to Mountain West's actual use. Further, under the Amendment, Mountain West's annual rent will be reduced prospectively based on the reduction in square footage leased, and the Airport will reimburse Mountain West for past overpayments in rent calculated using the extra 1,417 square feet not actually used by Mountain West.

Applicable Statute, Code, Policy, Rule or Regulation

Airport Authority Act for Carson City, Chapter 844 of the 1989 Statutes of Nevada

Financial Information

Is there a fiscal impact? No

If yes, account name/number: No City impact. The Lease generates revenue for the Airport.

Is it currently budgeted? No

Explanation of Fiscal Impact: N/A - Component Unit of the City

Alternatives

Do not approve the proposed Amendment and redirect the matter to the Airport and/or provide alternative direction.

Attachments:

[2022 10 12 Revised Legal Description.pdf](#)

[2022 04 20 Attachment-Record of Survey showing MW Aviation parcel APN 005-021-13.pdf](#)

[2022 01 01 Mountain West Aviation Amendment - Not Executed.pdf](#)

[2008 09 05 MountainWest hangar lease and assignment to KCXP- as recorded.pdf](#)

[2008 08 20 Amendment to MountainWest fuel lease- as recorded.pdf](#)

[2007 05 22 Assignment of Fuel Lease to Mtn West Aviation.PDF](#)

[1996 06 01 Eagle Valley Fuel lease- as recorded doc191541.pdf](#)

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

EXHIBIT "A"
LEGAL DESCRIPTION

MW AVIATION LEASE PARCEL

All that certain real property situate within the East One-Half (E 1/2) of Section Four (Sec. 4), Township Fifteen North (T15N), Range Twenty East (R20E), M.D.M, Carson City, Nevada, more particularly described as follows:

BEING that certain lease parcel "MW AVIATION LEASE PARCEL" as shown on Amended Record of Survey for Carson City Airport Authority, recorded April 15, 2022 as File No. 531658 in the Carson City Nevada Recorder's Office.

COMMENCING at the Northeast Corner of said Sec 4, marked by a 1-inch iron pipe, as shown on said Record of Survey;

THENCE along the east section line thereof, South 00°49'20" West, 2,530.09 feet to the **POINT OF BEGINNING**;

THENCE continuing along said course, South 00°49'20" West, 174.80 feet;

THENCE North 76°09'24" West, 219.13 feet;

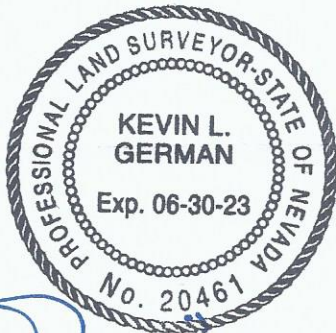
THENCE North 00°49'20" East, 175.09 feet;

THENCE South 76°04'59" East, 219.20 feet to the **POINT OF BEGINNING**.

Containing 37,351 square feet of land, more or less.

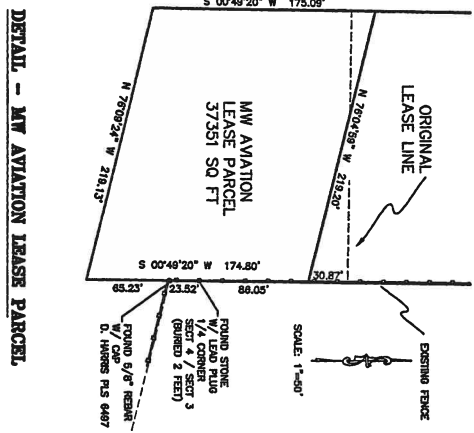
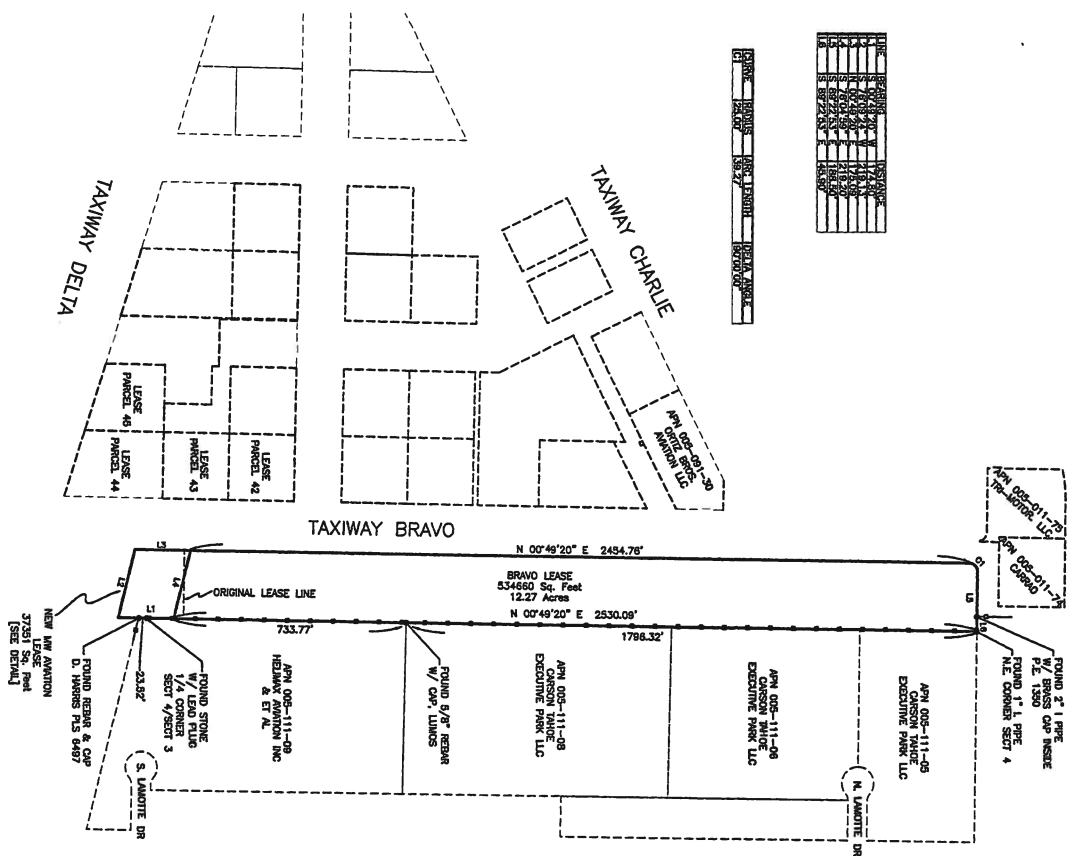
The Basis of Bearings is identical to that of Record of Survey for Carson City Airport Authority Map No. 3040 recorded on April 15, 2022 as File No. 531658 in the Carson City, Nevada Recorder's Office.

Prepared by
CFA Inc.
1150 Corporate Blvd.
Reno, NV 89502
(775) 856-1150



Kevin L. German
10-12-22

Kevin L. German
PLS 20461



DETAIL - MW AVIATION LEASE PARCEL

SURVEYOR'S CERTIFICATE
 I, CHARLES D. CHURCH, A PROFESSIONAL LAND SURVEYOR, LICENSED IN THE STATE OF NEVADA, CERTIFY THAT:
 1. THIS PLAN REPRESENTS THE RESULTS OF A SURVEY CONDUCTED UNDER MY DIRECT SUPERVISION AT THE RESUME OF COREY JAMES.
 2. THE LANDS SURVEYED ARE WITHIN A PORTION OF THE EAST 1/2 OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 20 WEST, T15S, R20W, CARSON CITY, NEVADA, AND THE SURVEY WAS COMPLETED ON MARCH 24, 2022.
 3. THIS PLAN COMPLETES WITH THE APPLICABLE STATE STATUTES AND ANY LOCAL ORDINANCES IN EFFECT ON THE DATE THE GOVERNING BODY GAVE ITS FINAL APPROVAL.
 4. THE INSTRUMENTS REFERRED TO ON THE PLAN ARE OF THE CHARACTER NUMBER AND DURENANT.

GENERAL NOTES
 1. THE PURPOSE OF THIS SURVEY IS TO DELINEATE ONE NEW LEASE PARCEL AND ONE EXISTING LEASE PARCEL FOR THE CARSON CITY AIRPORT AUTHORITY.
 2. NO NEW FEES PARCELS WERE CREATED BY THIS MAP.
 3. THIS DOCUMENT WAS PREVIOUSLY RECORDED IN BOOK 11 PAGE 37351 AND 37352.
 4. THIS DOCUMENT WAS AMENDED TO REFLECT THE LEASE WALK CHANGE TO MW AVIATION.

CHARLES D. CHURCH
 NEVADA PLS. NO. 0086



CLERK RECORDER'S CERTIFICATE
 FILED FOR RECORD AT THE REQUEST OF SHERA SURVEYING ON THIS DATE: 01/20/2022 AT 1:53 PM. THE CLERK RECORDER HAS REVIEWED THE OFFICIAL RECORDS OF CARSON CITY, NEVADA.
 RECORDING FEE: \$5.00
 FILE NO. 331616
 CLERK RECORDER: Audrey Roshat Clark
 BY: Sheri L. Wood

BASIS OF BEARINGS
 THE BASIS OF BEARINGS FOR THIS SURVEY IS THE EAST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 20 WEST, T15S, R20W, CARSON CITY, NEVADA, BEING 00°49'20" WEST.

AMENDED
 (SEE PAGE 3)

RECORD OF SURVEY

FOR
CARSON CITY AIRPORT AUTHORITY
 LEASE PARCELS

A PORTION OF THE E 1/2 OF SECTION 4,
 TOWNSHIP 15 NORTH, RANGE 20 WEST, T15S, R20W
 CARSON CITY, NEVADA
 SHERA SURVEYING
 1180 CORPORATE BLVD.
 RENO, NEVADA 89509
 (775) 785-0000
 SHELL

APN 005-021-13

Mail tax statements to:
Mountain West Aviation, LLC
PO Box 1685
Crystal Bay, NV 89402

**AMENDMENT TO
CARSON CITY AIRPORT LEASE AGREEMENT**

This Amendment to lease, made and entered into as of January 1, 2022, between the CARSON CITY AIRPORT AUTHORITY (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and MOUNTAIN WEST AVIATION, LLC.(Tenant), whose address is PO Box 1695, Crystal Bay, Nevada 89402.

WITNESSETH:

WHEREAS, the Tenant predecessor and Landlord entered into a lease for a fuel island recorded on July 12, 1992 as Doc. No. 191541; with an Assignment to Tenant recorded June 14, 2007 as Doc No. 368759; and an Amendment to relocate the fuel recorded Sept 5, 2008 as Document No. 382384; and

WHEREAS, the Tenant and Landlord have discovered from a recent survey that the actual leased and improved area is slightly different than the legal description in the Lease Amendment that moved the fuel island to its present location as a part of the runway realignment program. (i.e. the Amendment recorded Sept 5, 2008 as Document No. 382384); and

WHEREAS, the parties desire to amend the lease so that it matches the constructed facility and to adjust the rent accordingly.

THEREFORE, Landlord and Tenant agree as follows:

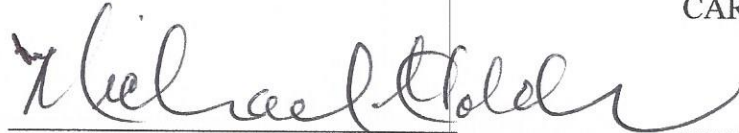
1. The area leased is reduced to its current paved footprint of 0.8575 acres (37,351 sq feet) instead of .89 acres (38,768.40 sq feet), as shown on the attached Record of Survey Lease Parcel Exhibit as "MW Aviation", and the rental payments are correspondingly reduced to reflect the smaller lease area, i.e. reduced by 1,417.4 sq feet.

2. The (non-fuel flow component) rental amount due from Tenant going forward is \$173.44; and a refund of \$552.63 was provided to Tenant for past rent paid on the larger area.

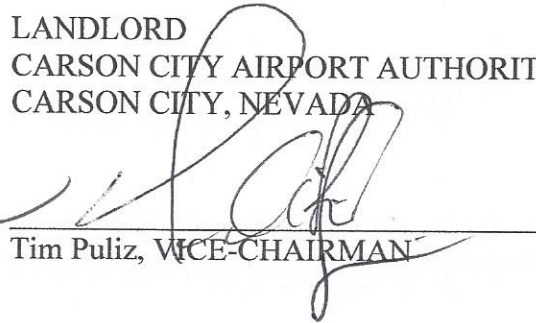
3. All of the other terms and conditions of the original lease and amendment are unchanged.

TENANT
MOUNTAIN WEST AVIATION, LLC,

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA

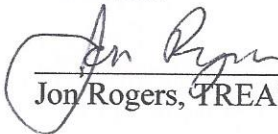


Michael Golden, LLC Manager



Tim Puliz, VICE-CHAIRMAN

ATTEST:



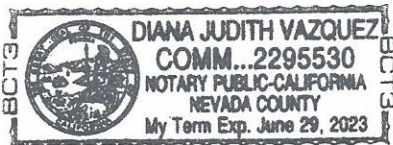
Jon Rogers, TREASURER

California
STATE OF ~~NEVADA~~)
County of Nevada : ss
~~CARSON CITY~~)

On this *4th* day of ~~May~~ *August*, 2022, before me, the undersigned, a Notary Public, personally appeared Michael Golden, President of, or Managing Member of MOUNTAIN WEST AVIATION, 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

Approved by the Board of Supervisors this ____ day of _____, 2022.

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

AUBREY ROWLATT, Clerk/Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form



STEVEN E. TACKES, ESQ.

APN N/A

APN _____

APN _____

RECORDED AT THE
REQUEST OF

CARSON CITY CLERK TO

THE BOARD

2008 SEP - 5 AM 9:51

FILE NO. 382385

ALAN GLOVER

CARSON CITY RECORDER

FEES NC DEP 52

FOR RECORDER'S USE ONLY

Assignment of Ground Lease
TITLE OF DOCUMENT

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

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

Signature

Print Name & Title

WHEN RECORDED MAIL TO:

**CARSON CITY CLERK TO
THE BOARD**

382385

ASSIGNMENT OF GROUND LEASE

APN: _____

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

KCXP INVESTMENTS, LLC
134 Lakes Boulevard
Dayton, Nevada 89043
Attention: George Reinhardt

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND LANDLORD'S CONSENT ("Assignment"), is executed as of Aug 23, 2008, and effective as of the Effective Date (as defined below), by and among MOUNTAIN WEST AVIATION, LLC, LLC, a Nevada limited liability company ("Assignor"), KCXP INVESTMENTS, LLC, a Delaware limited liability company ("Assignee"), and CARSON CITY AIRPORT AUTHORITY ("Landlord").

- A. Assignor and Landlord entered into that certain Carson City Airport Lease Agreement effective as of the Effective Date (as amended, the "Ground Lease") between Carson City Airport Authority ("Landlord") attached hereto as Exhibit "A", pursuant to which Landlord agreed to lease to Assignor and Assignor agreed to lease from Landlord those certain real property and appurtenant rights identified therein (the "Leased Premises").
- B. Pursuant to numbered section 9 of the Ground Lease, Landlord's prior written consent is required for any assignment of Assignor's interest the Ground Lease.
- C. Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions (as amended the "Purchase Agreement"), dated as of August 21, 2008 by and among Assignor as "Seller" and Assignee, as "Purchaser," at the Closing (as defined in the Purchase Agreement), Assignor shall assign and transfer to Assignee all of Assignor's right, title and interest, in and to the Leased Premises and the Ground Lease. The Closing Date as used herein shall have its meaning as set forth in the Purchase Agreement.
- D. Landlord has agreed to the assignment of the Ground Lease from Assignor to Assignee, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

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

382385

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

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

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

(Remainder of Page Left Intentionally Blank)

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

ASSIGNOR:

MOUNTAIN WEST AVIATION, LLC,
a Nevada limited liability company

By: *Michael Golden*
Name: Michael Golden
Title: Managing Agent

ASSIGNEE:

KCXP INVESTMENTS, LLC,
a Delaware limited liability company

By: *Tom Gonzales*
Name: Tom Gonzales
Title: Member

CONSENTED TO BY:

CARSON CITY AIRPORT AUTHORITY

By: *S.W. Lewis*
Name: S.W. Lewis
Title: Chairman

382385

STATE OF NEVADA ~~FLORIDA~~

COUNTY OF _____

This instrument was acknowledged before me on Aug 20th, 2008, by YOUNG & RUBICAM as MANAGER of KCXP Investments LLC

[Signature]
Notary Public

My commission expires: 4/29/12
NOTARY PUBLIC STATE OF FLORIDA
Brandon Shawn Norris
Commission # DD801473
Expires: JUNE 29, 2012
ATLANTIC BONDING CO., INC.

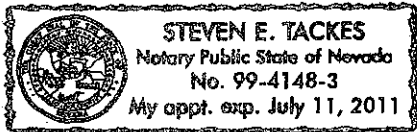
STATE OF NEVADA

COUNTY OF CARSON CITY

This instrument was acknowledged before me on Aug 25, 2008, by Michael Golden as Managing Agent of Mountain West Aviation, LLC

[Signature]
Notary Public

My commission expires: July 11, 2011



STATE OF NEVADA

COUNTY OF _____

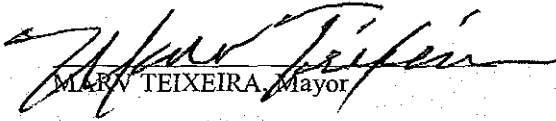
This instrument was acknowledged before me on _____, 2008, by _____ as _____ of _____.

Notary Public
My commission expires: _____

382385

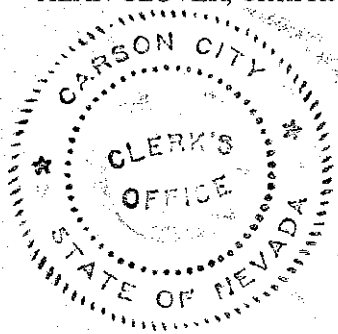
CARSON CITY

Approved by the Board of Supervisors this 4th day of September, 2008.


MERV TEIXEIRA, Mayor

ATTEST:

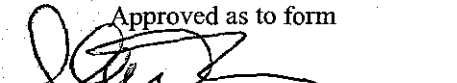

ALAN GLOVER, Clerk/Recorder



CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.

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BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE NEVADA STATE PLANE COORDINATE SYSTEM, MODIFIED GRID, AS SHOWN ON THE RECORD OF SURVEY RS 2354, DOC. NO. 330854

REFERENCE

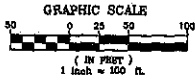
(N) RECORD OF SURVEY RS 2354 - DOC. NO. 330854

SURVEYOR'S NOTE

ALL INTERNAL DIMENSIONS SHOWN ARE PER RECORD OF SURVEY NO. 2150, FILED IN THE CARSON CITY RECORDS OFFICE AS DOC # 186154

GOLDEN LEASE PARCEL DESCRIPTION FOR CARSON CITY AIRPORT

BEING A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 20 EAST M.D.B & M. WITHIN CARSON CITY COUNTY, NEVADA



382385

LEASE PARCEL 72A

BOUNDARY LINE OF AIRPORT

24' PROPOSED PERIMETER ROAD

TRUE POINT OF BEGINNING PARCEL B

TRUE POINT OF BEGINNING PARCEL A

97.50

30.00

35.00

N 63°40'38" E 144.00'

N 63°40'38" E 144.00'

N 63°40'38" E 144.00'

N 26°19'22" W 226.87'

N 26°19'22" W 226.87'

N 26°19'22" W 226.87'

S 63°40'38" W 144.00'

S 63°40'38" W 144.00'

S 63°40'38" W 144.00'

S 63°40'38" W 144.00'

S 43°51'12.74" N 135.00' NE COR SEC 4, T 15 N, R 20 E MDM.

AIRPORT STRUCTURES LEASE PARCEL 209A

PARCEL A 0.75 Acres

PARCEL B 0.75 Acres

JET RANCH LEASE PARCEL 207

LEASE PARCEL EXHIBIT FOR CARSON CITY AIRPORT BEING PORTION OF THE EAST HALF OF SECTION 4, T. 15 N., R. 20 E., M.D.B & M. CARSON CITY COUNTY, NEVADA



555 DOUBLE EAGLE COURT, SUITE 2000 RENO, NEVADA 89521-8991 (775)828-1622

AUGUST, 2008

SHEET 1 OF 1

EXHIBIT A

Carson City Airport Lease Agreement

(See Attached)

382385

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 20th day of August, 2008, between Carson City (property owner), Carson City Airport Authority (Landlord), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706, and MOUNTAIN WEST AVIATION, LLC., (Tenant), whose address is PO Box 1695, Crystal Bay, Nevada 89402.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to bifurcate Tenant's existing lease (on LP 44 and LP 45, recorded as Document Nos. 191541 and 368759, Carson City Records) into a reduced size fuel lease and this lease as regards certain ground space for construction of one or more hangars pursuant to the provisions of Title 19 of the Carson City Municipal Code; and

WHEREAS, the parties desire to establish such lease in a manner consistent with the Airport Master Plan and Carson City Municipal Code, so as to lease Tenant ground space consistent with uses desired by Landlord and to provide economic activity and monetary support to the Carson City Airport; and

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport identified as 1.5 acres (two .75 acre areas) west of the Airport Structures lease and adjacent to Taxiway C, as set forth on the Record of Survey Map recorded February 29, 1996, and as fully described on Exhibit A ("Legal Description") to this lease (premises), and the appurtenant rights included in Paragraph 8.

2. TERM. The term shall be fifty (50) years from the date of approval by the Carson City Board of Supervisors hereunder.

3. RENT. Tenant shall pay to Landlord:

A. \$6,364.12 per year (\$530.34 per month); calculated as \$0.0974 per square foot per year for the entire leased area (65,340 sq. ft.) Rent shall be payable monthly with the first year's payment due in advance and with payments thereafter due on the first day of each month. Tenant shall be responsible for the paving of ramp and taxilane area within the leasehold boundaries.

B. Tenant shall pay \$12,000, per acre leased, in utilities infrastructure fees to utilize the utility plant previously installed on the Airport at the expense of the Airport Authority, separate and apart from any hookup fees assessed by the Carson City Utility Department.

C. Tenant shall install, at Tenant's cost, utilities infrastructure and paving in conformance with the engineering design approved by the Authority for this area.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 2008, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the Price Index) for the preceding two year period. The Price Index shall mean the average for "all items" shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. Landlord shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December 2007 is 155.0 (1982-1984=100) and for December 2005 is 150.0, then the rent would be adjusted by the difference(155.0-150.0) divided by 150.0 which equals a 3.3% increase.

5. IMPROVEMENTS. Tenant shall commence construction of the subject improvement as set forth in Exhibit B to this lease with construction completed within 2 years of execution of this Lease. Tenant shall, within 180 days of execution of this Lease, conduct a record of survey in coordination with Landlord to enable issuance by the Carson City Assessor of an APN (parcel number) which is a prerequisite for City permits (building, etc.). Such record of survey shall be at Tenant's expense.

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

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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.

H. Failure to complete construction of the facilities as required by this Lease and any exhibits or amendments thereto, or extensions granted by action of the Airport Authority at a publicly noticed meeting. Landlord may terminate this Lease under this subsection H at its sole discretion, with thirty (30) days written notice of its intention to terminate this Lease.

Notices given under this paragraph must specify the alleged default 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 for the storage of aircraft; machinery, parts and tools associated with the stored aircraft; office space associated with the stored aircraft, and is expressly prohibited from conducting any activity at the Carson City Airport other than that provided by this Agreement or as may be approved by Landlord. Tenant is, by this lease, an authorized FBO for the inside storage of aircraft, and shall comply with the provisions of Title 19 applicable to the public provision of aircraft storage for multiple aircraft hangars. Tenant shall not perform any salvage, rehabilitation, maintenance, construction or reconstruction, commercial, or industrial operations for any aeronautical uses, vehicles, and equipment except for aircraft owned by Tenant unless authorized by Landlord. Except as specified in this Lease, Tenant is prohibited from any fixed base operations which are revenue producing in or on or from Tenant's facility. Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses. No person may live in, or otherwise inhabit, any hangars constructed on the property leased. AIRCRAFT- All aircraft stored on the leased area must be registered as personal property in Carson City, Nevada, unless such aircraft are transient and are not on the leased area for more than 21 days. 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. 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.

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- 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,

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

9. ASSIGNMENT AND SUBLEASING. Tenant shall be permitted to assign this lease, or a portion thereof, to a hangar owners association to allow individual ownership of hangars, but Tenant shall remain the single entity responsible to Landlord. The parties anticipate that individual owners of hangars will be members of said association, and to the extent consistent with that assignment, Tenant or Association may sublease portions of the leasehold to said individual owners, without further approval required of Landlord, where such subleases are necessary or appropriate to the sale of interest in individual hangars. Tenant and Association may assign or delegate lease obligations as between each other with respect to operation or maintenance of the leasehold, recognizing the Tenant is ultimately responsible to Landlord. Tenant shall have no other right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any 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. Upon request of Tenant, Landlord agrees to execute an estoppel certificate for the benefit of Tenant, or the benefit of individual hangar owners association members if in relation to individual financing, representing that the lease is in full force and effect, and Tenant is not in default under the lease and such other items as Tenant may reasonably request.

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

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

10. INSURANCE AND BONDING.

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

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

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

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

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

B. Insured Includes. Landlord and Carson City must be named as 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 environment 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 construct improvements in accordance with Exhibit B and shall remove at his cost all buildings and improvements upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on 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.

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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.

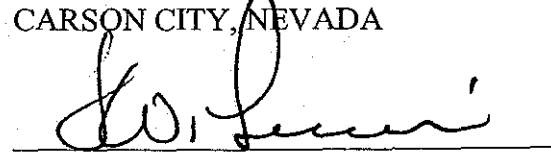
20. ADDITIONAL CONDITIONS. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A. Unless otherwise provided, all construction materials, appearance, and building size shall be completed as represented in the bid submissions.

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TENANT
MOUNTAIN WEST AVIATION, LLC,


Michael Golden, LLC Manager

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


Steve Lewis, CHAIRMAN

ATTEST:

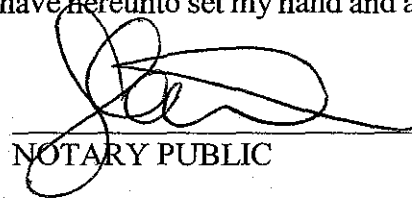

Collie Hutter, TREASURER

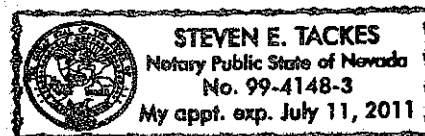
STATE OF NEVADA)

COUNTY OF Carson City)^{SS}

On this 25th day of August, 2008, before me, the undersigned, a Notary Public, personally appeared Michael Golden, President of, or Managing Member of MOUNTAIN WEST AVIATION, 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.

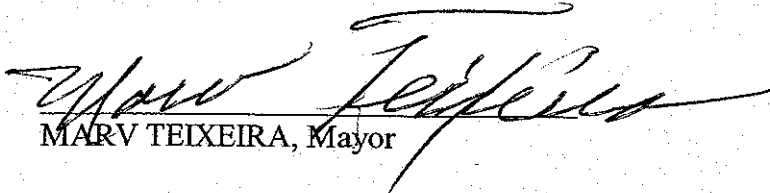

NOTARY PUBLIC (SEAL)



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CARSON CITY

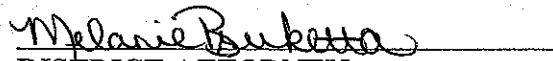
Approved by the Board of Supervisors this 4th day of September, 2008.

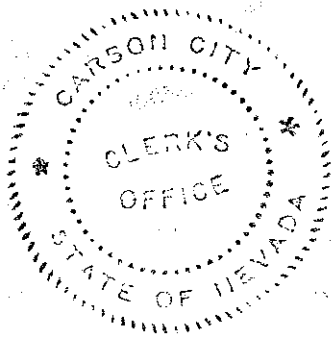

MARV TELXEIRA, Mayor

ATTEST:

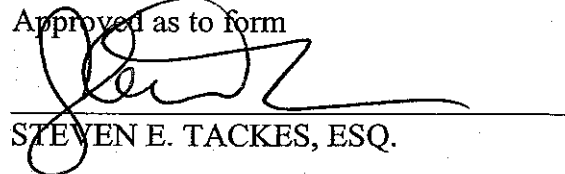

ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY



AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.

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**APPENDIX A
CARSON CITY AIRPORT AUTHORITY**

DEVELOPMENT/CONSTRUCTION STANDARDS

CODE REQUIREMENTS - ALL CONSTRUCTION SHALL MEET ALL CARSON CODES AND REQUIREMENTS INCLUDING THE CARSON CITY AIRPORT AUTHORITY (C.C.A.A.)

OUTSIDE STORAGE AREA - T-HANGERS, SHOP-HANGERS/OFFICE BUILDINGS ETC. SHALL NOT HAVE OUTSIDE STORAGE OF ANY KIND.

WATER - WATER SERVICE SHALL BE BROUGHT TO THE PROPERTY BY THE LEASE HOLDER.

FIRE HYDRANTS - FIRE HYDRANTS MAY BE REQUIRED PURSUANT TO FIRE DEPARTMENT REGULATIONS AND ARE THE LEASEHOLDERS RESPONSIBILITY.

POWER - ELECTRIC POWER SHALL BE REQUIRED TO EACH BUILDING.

FLOORS - GROUND LEVEL CONCRETE FLOORS SHALL BE REQUIRED IN EACH BUILDING.

COLORS - EXTERIOR BUILDING COLORS SHALL BE LIMITED TO BLUE AND TAN MATCHING EXISTING STRUCTURES.

DOOR HEIGHT - T-HANGARS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 12 FT. LARGER OR MULTIPLE AIRCRAFT HANGERS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 19 FT. UNLESS APPROVED OTHERWISE BY THE AIRPORT AUTHORITY.

NEW CONSTRUCTION - ALL BUILDINGS SHALL BE OF NEW CONSTRUCTION.

LIGHTING - SECURITY LIGHTING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

PARKING - PARKING SPACES SHALL NOT BE REQUIRED FOR HANGARS LOCATED ON THE INTERIOR OF THE AIRPORT. FOR HANGARS THAT ARE LOCATED WITH EXTERIOR ACCESS OR FRONTAGE, ENOUGH SPACES DEEMED PROPER FOR THE SIZE OF THAT BUILDING WILL BE REQUIRED AND WILL BE IN COMPLIANCE WITH THE APPLICABLE CITY CODES. NO PARKING OR STORAGE WILL BE PERMITTED ON AIRPORT PROPERTIES. AUTOMOBILE PARKING WILL BE RESTRICTED TO THE INDIVIDUAL'S LEASEHOLD BUT WILL NOT ALLOW FOR THE EXTERIOR STORAGE OF BOATS, CONTAINERS, RV'S, TRAILERS, WRECKED AIRCRAFT ETC.

FENCING - IF APPROPRIATE, PROPERTIES, WITH EXTERIOR BOUNDARIES SHALL PROVIDE SECURITY FENCING. SAID SECURITY FENCING SHALL BE REQUIRED WITH CONSTRUCTION OF THE STRUCTURE. ALL FENCING SHALL BE 6 FT. HIGH, CHAIN LINK FENCE OR BETTER.

TRASH - ALL PROPERTY, FENCE AND BUILDING LINES SHALL BE KEPT CLEAR OF WEEDS, TRASH, AND LITTER. LANDSCAPING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

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Exhibit A
Legal description and map

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BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE NEVADA STATE PLANE COORDINATE SYSTEM, MODIFIED GRID, AS SHOWN ON THE RECORD OF SURVEY RS 2254, DOC. NO. 330854

REFERENCE

(R) RECORD OF SURVEY RS 2254 - DOC. NO. 330854

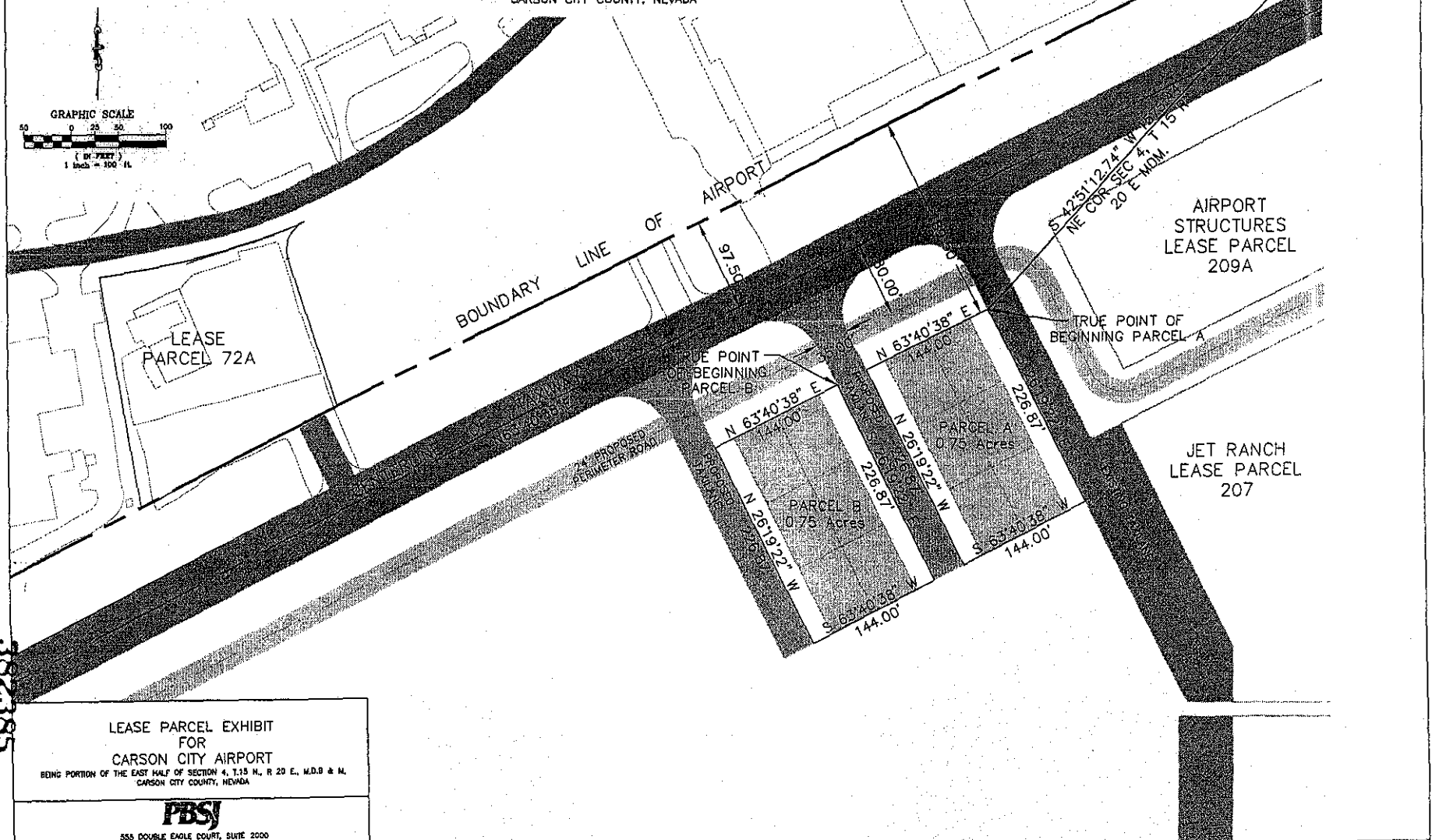
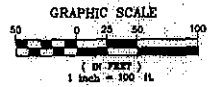
SURVEYOR'S NOTE

ALL INTERNAL DIMENSIONS SHOWN ARE PER RECORD OF SURVEY NO. 2150, FILED IN THE CARSON CITY RECORDS OFFICE AS DOC # 156124

GOLDEN LEASE PARCEL DESCRIPTION FOR CARSON CITY AIRPORT

BEING A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 20 EAST M.D.B & M. WITHIN CARSON CITY COUNTY, NEVADA

33° 57' 34" N
48° 3'



LEASE PARCEL EXHIBIT FOR CARSON CITY AIRPORT

BEING PORTION OF THE EAST HALF OF SECTION 4, T.15 N., R. 20 E., M.D.B & M. CARSON CITY COUNTY, NEVADA



555 DOUBLE EAGLE COURT, SUITE 2000
RENO, NEVADA 89521-8991
(775)828-1822

SHEET 1 OF 1

AUGUST, 2008

382385



August 14, 2008
MB/BF

Golden Lease Parcel Description

All that portion of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the northeast corner of said Section 4, thence, South $42^{\circ}51'12.74''$ West 1575.44 feet to the TRUE POINT OF BEGINNING of this description; thence, South $26^{\circ}19'22''$ East 226.87 feet; thence South $63^{\circ}40'38''$ West 144.00 feet; thence North $26^{\circ}19'22''$ West 226.87 feet; thence, North $63^{\circ}40'38''$ East 144.00 feet, to the point of beginning.

Together with the following described parcel:

Commencing at the northeast corner of said Section 4, thence, South $42^{\circ}51'12.74''$ West 1575.44 feet; thence South $63^{\circ}40'38''$ West 179.00 feet to the TRUE POINT OF BEGINNING of this description; thence, South $26^{\circ}19'22''$ East 226.87 feet; thence South $63^{\circ}40'38''$ West 144.00 feet; thence North $26^{\circ}19'22''$ West 226.87 feet; thence, North $63^{\circ}40'38''$ East 144.00 feet, to the point of beginning.

Containing 1.50 acres, more or less.

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

382385

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

EXHIBIT B
CONSTRUCTION EXHIBITS

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

Tenant shall be required to furnish to the Carson City Airport Authority a copy of a contract between Tenant and a licensed contractor. The contract shall be protected by a performance bond to guarantee that the improvements will be completed according to the existing codes and the improvements will be free from any liens. Tenant shall cause any contract with any contractor, designer or other person providing work, labor or materials to the Premises to include the following clause:

“Contractor agrees on behalf of itself, its subcontractors, suppliers and consultants and their employees, that there is no legal right to file a lien upon City-owned property (Airport), and will not file a mechanic's lien or otherwise assert any claim against City's real estate on account of any work done, labor performed or materials furnished under this contract. Contractor agrees to indemnify, defend and hold the Airport Authority and City harmless from any liens filed upon City's property and shall promptly take all necessary legal action to ensure the removal of any such lien at Contractor's sole cost.”

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

1. **CONSTRUCTION ON PREMISES.** Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgments, decrees, regulations, directives, and requirements now, or which may be, applicable to the construction of improvements on the operations and uses of the premises.

A. Construction Phasing

1. All plans completed and submitted to Landlord and governmental offices for approval within 1 year of the effective date of the lease.

382385

2. All permits obtained for construction within 120 days next following.
3. All construction completed within two years of the effective date of the lease.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, of the premises.

C. Certificate of Completion. Upon completion of the improvements, Tenant shall submit to the Landlord a copy of its acceptance letter certifying completion and a certified copy of any certificate or permit which may be required by any Federal, State, County, or other local government or agency in connection with the completion or occupancy by Tenant. Tenant shall furnish to Landlord a set of reproducible, final "as built" drawings of any and all improvements not later than ninety (90) days following the completion, occupancy, or initial use of such improvements, whichever comes first.

2. TITLE TO IMPROVEMENTS AND FIXTURES. During the term of this lease, all improvements (other than trade fixtures) erected, installed, or constructed by Tenant on the premises shall become part of the land upon which they are erected, or part of the building to which they are affixed, and title to such improvements, facilities, or alterations shall remain with Tenant. "Trade fixtures" shall remain the property of Tenant and that term shall include, but shall not be limited to, personal property, signs used to identify the Tenant's facilities in and about the premises, and all machinery and equipment installed in, placed on, or used in connection with Tenant's operation.

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and of record in my office.

Date September 25, 2008

Alan Glover
ALAN GLOVER, Clerk-Recorder
Carson City, Nevada

By [Signature] Deputy

Per NRS 239 Sec.6 the SSN may be redacted, but in no way affects the legality of the document.

31 of 31

382385

APN N/A

APN _____

APN _____

RECORDED AT THE
REQUEST OF
**CARSON CITY CLERK TO
THE BOARD**
2008 SEP -5 AM 9:51
FILE NO. **382384**
ALAN GLOVER
CARSON CITY RECORDER
FEES *NC* DEP *A*

FOR RECORDER'S USE ONLY

Amendment to CC Airport Lease
TITLE OF DOCUMENT

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

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

Signature _____

Print Name & Title _____

WHEN RECORDED MAIL TO:

**CARSON CITY CLERK TO
THE BOARD**

382384

**AMENDMENT TO
CARSON CITY AIRPORT LEASE AGREEMENT**

This Amendment to lease, made and entered into this 20th day of August, 2008, between the CARSON CITY AIRPORT AUTHORITY (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and MOUNTAIN WEST AVIATION, LLC.(Tenant), whose address is PO Box 1695, Crystal Bay, Nevada 89402.

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to bifurcate Tenant's existing lease (on LP 44 and LP 45, recorded as Document Nos. 191541 and 368759, Carson City Records) into a reduced size fuel lease and a separate lease as regards certain ground space for construction of one or more hangars pursuant to the provisions of Title 19 of the Carson City Municipal Code; and

WHEREAS, the parties desire to amend the fuel lease to reduce its size to .89 acres and provide for its relocation across Taxiway B upon FAA funding under the Master Plan project.

THEREFORE, Landlord and Tenant agree as follows:

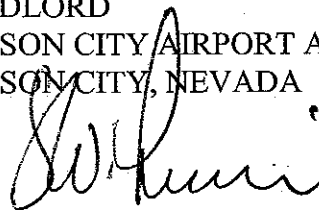
1. The area leased is reduced to its current paved footprint of .89 acres (38,768.40 sq feet), and the rental payments are correspondingly reduced to reflect the smaller lease area.
2. Upon receipt of FAA funding for relocation, the lease area shall be relocated directly across Taxiway B to LP 211 (adjusted to .89 acre) as set forth by Exhibit "A" attached. The entire cost of relocation, including but not limited to, design, engineering, permits and construction shall be borne by the Landlord. In the event that any portion of the improvements cannot be relocated, the Landlord shall provide for the replacement of such improvements to the relocated area.
3. The term of the lease is hereby extended by 4 years, thus it has a term of 42 years beginning upon approval of this Amendment by the Carson City Board of Supervisors.
4. All of the other terms and conditions of the original lease are unchanged.

TENANT
MOUNTAIN WEST AVIATION, LLC,
By: Mountain West Equities, Incorporated
Its: Managing Agent



Michael Golden

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA



Steve Lewis, CHAIRMAN

382384

ATTEST:

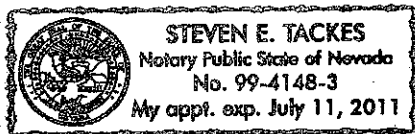
Collie Hutter
Collie Hutter, TREASURER

STATE OF NEVADA)
COUNTY OF Carson City) : SS

On this 25th day of August, 2008, before me, the undersigned, a Notary Public, personally appeared Michael Golden, President of, or Managing Member of MOUNTAIN WEST AVIATION, 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.

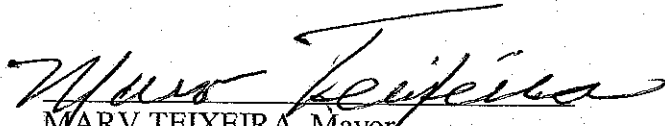
Steven E. Tackes
NOTARY PUBLIC (SEAL)



382384

CARSON CITY

Approved by the Board of Supervisors this 4th day of September, 2008.

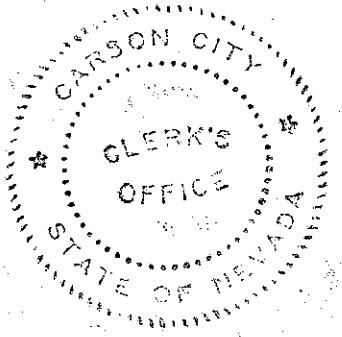

MARV TEIXEIRA, Mayor

ATTEST:

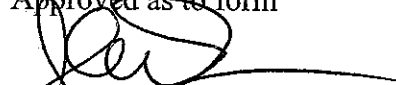

ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY



AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.

382384

Exhibit A
Legal description and map

382384



August 14, 2008
MB/BF

Golden Lease Parcel Description

All that portion of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the northeast corner of said Section 4, thence, South $42^{\circ}51'12.74''$ West 1575.44 feet to the TRUE POINT OF BEGINNING of this description; thence, South $26^{\circ}19'22''$ East 226.87 feet; thence South $63^{\circ}40'38''$ West 144.00 feet; thence North $26^{\circ}19'22''$ West 226.87 feet; thence, North $63^{\circ}40'38''$ East 144.00 feet, to the point of beginning.

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Containing 1.50 acres, more or less.

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

382384

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

**GOLDEN LEASE PARCEL
DESCRIPTION
FOR**

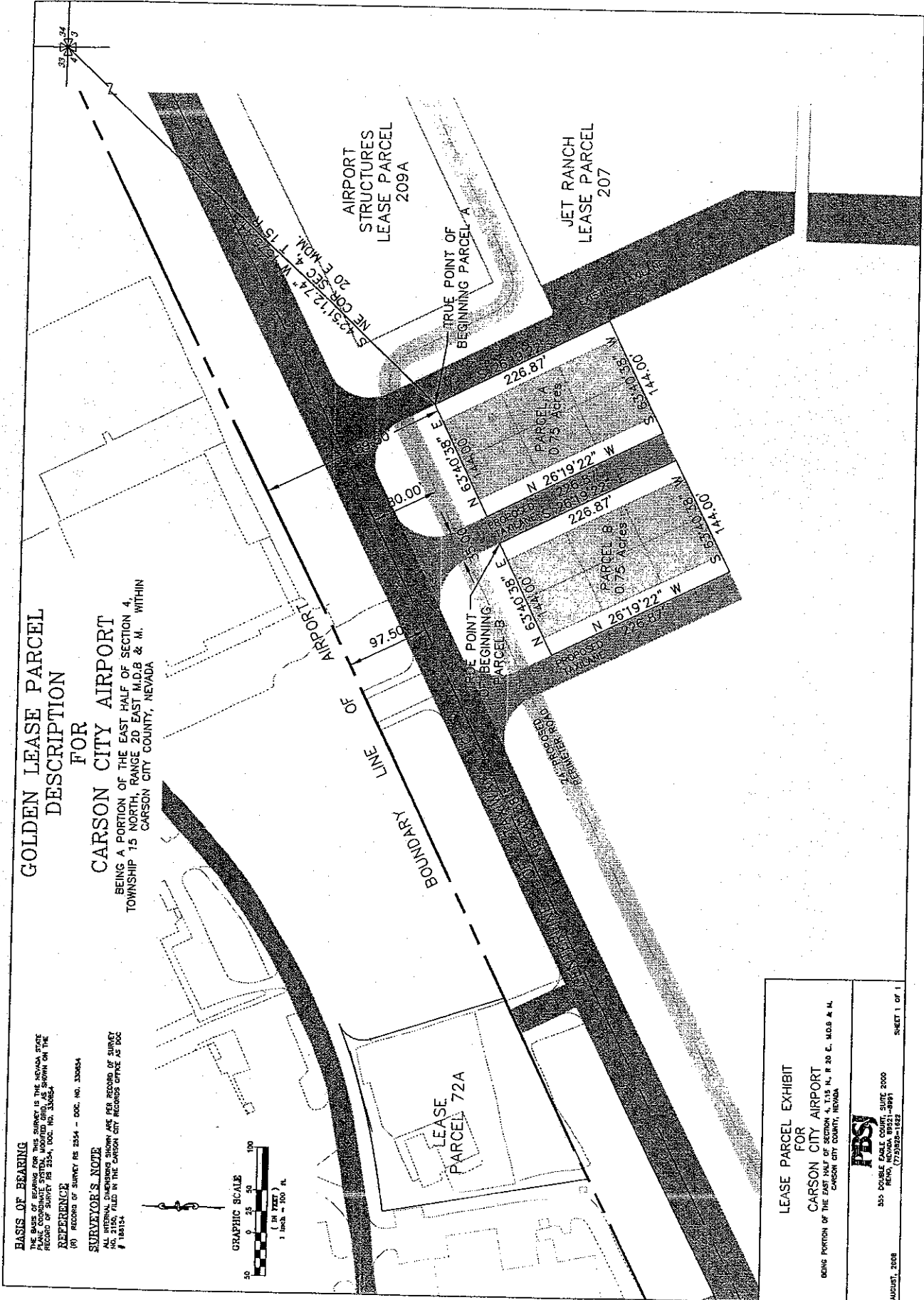
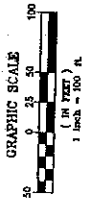
CARSON CITY AIRPORT
BEING A PORTION OF THE EAST HALF OF SECTION 4,
TOWNSHIP 15 NORTH, RANGE 20 EAST M.D.B. & M. WITHIN
CARSON CITY COUNTY, NEVADA

BASIS OF BEARING
THE BASIS OF BEARING FOR THIS SURVEY IS THE MICHIGAN STATE
SYSTEM, MODIFIED AND AS SHOWN ON THE
RECORD OF SURVEY NO. 2554, DOC. NO. 338654.

REFERENCE
RECORD OF SURVEY NO. 2554 - DOC. NO. 338654

SURVEYOR'S NOTE

ALL MEASUREMENTS ARE PER RECORD OF SURVEY
NO. 2150, FILED IN THE CARSON CITY RECORDS OFFICE AS DOC
181814.



LEASE PARCEL EXHIBIT
FOR
CARSON CITY AIRPORT
BEING PORTION OF THE EAST HALF OF SECTION 4, T.15 N., R.20 E., M.D.B. & M.,
CARSON CITY COUNTY, NEVADA

FBSI
325 DOUGLAS BLVD., SUITE 2000
RENO, NEVADA 89521-3891
(775)825-1822

AUGUST, 2008

SHEET 1 OF 1

382384

EXHIBIT B

CONSTRUCTION EXHIBITS

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

Tenant shall be required to furnish to the Carson City Airport Authority a copy of a contract between Tenant and a licensed contractor. The contract shall be protected by a performance bond to guarantee that the improvements will be completed according to the existing codes and the improvements will be free from any liens. Tenant shall cause any contract with any contractor, designer or other person providing work, labor or materials to the Premises to include the following clause:

“Contractor agrees on behalf of itself, its subcontractors, suppliers and consultants and their employees, that there is no legal right to file a lien upon City-owned property (Airport), and will not file a mechanic's lien or otherwise assert any claim against City's real estate on account of any work done, labor performed or materials furnished under this contract. Contractor agrees to indemnify, defend and hold the Airport Authority and City harmless from any liens filed upon City's property and shall promptly take all necessary legal action to ensure the removal of any such lien at Contractor's sole cost.”

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

1. **CONSTRUCTION ON PREMISES.** Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgments, decrees, regulations, directives, and requirements now, or which may be, applicable to the construction of improvements on the operations and uses of the premises.

A. **Construction Phasing**

1. All plans completed and submitted to Landlord and governmental offices for approval within 1 year of the effective date of the lease.

382384

2. All permits obtained for construction within 120 days next following.
3. All construction completed within two years of the effective date of the lease.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, of the premises.

C. Certificate of Completion. Upon completion of the improvements, Tenant shall submit to the Landlord a copy of its acceptance letter certifying completion and a certified copy of any certificate or permit which may be required by any Federal, State, County, or other local government or agency in connection with the completion or occupancy by Tenant. Tenant shall furnish to Landlord a set of reproducible, final "as built" drawings of any and all improvements not later than ninety (90) days following the completion, occupancy, or initial use of such improvements, whichever comes first.

2. TITLE TO IMPROVEMENTS AND FIXTURES. During the term of this lease, all improvements (other than trade fixtures) erected, installed, or constructed by Tenant on the premises shall become part of the land upon which they are erected, or part of the building to which they are affixed, and title to such improvements, facilities, or alterations shall remain with Tenant. "Trade fixtures" shall remain the property of Tenant and that term shall include, but shall not be limited to, personal property, signs used to identify the Tenant's facilities in and about the premises, and all machinery and equipment installed in, placed on, or used in connection with Tenant's operation.

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and of record in my office.

Date Sept 05 2008

Alan Glover
 ALAN GLOVER, Clerk/Recorder
 Carson City, Nevada

By [Signature] Deputy

Per NRS 239 Sec.6 the SSN may be redacted, but in no way affects the legality of the document.

9059

382384

RECORDED AT THE
REQUEST OF
CARSON CITY CLERK TO
THE BOARD

2007 JUN 14 PM 1:22

FILE NO. 368759

ALAN GLOVER
CARSON CITY RECORDER

FEE \$ DEP.

FOR RECORDER'S USE ONLY

APN

Lots 44 & 45

APN

at the Carson City

APN

Airport

Assignment of Lease

TITLE OF DOCUMENT

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

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

Katherine L. McLaughlin
Signature

Katherine L. McLaughlin
Print Name & Title
Recording Secretary

WHEN RECORDED MAIL TO:

368759

ASSIGNMENT OF LEASE

EAGLE VALLEY FUELS, LLC hereby assigns to Mountain West Aviation, LLC, a Nevada Limited Liability Company, all of its leasehold interest and appurtenant rights under the terms of the Carson City Airport Lease Agreement dated June 1, 1996 between the CARSON CITY AIRPORT AUTHORITY, referred to as the "Landlord" and EAGLE VALLEY FUELS, LLC, referred to as the "Tenant" for the premises described as the real property located at the Carson City Airport identified as lots 44 and 45, as set forth on the Record of Survey Map recorded February 29, 1996, a copy of said Lease being attached hereto as Exhibit "1", and by this reference incorporated herein. This Assignment is made pursuant to Paragraph 9 of the aforementioned Lease.

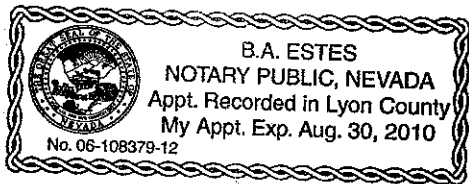
DATED this 22nd day of May, 2007.

EAGLE VALLEY FUELS, LLC

BY Neil Weaver
Neil Weaver
Its Management Committee

STATE OF NEVADA)
Carson City) ss.

On May 22, 2007, personally appeared before me, a Notary Public, Neil Weaver, Management Committee of EAGLE VALLEY FUELS, LLC, and in his capacity as such, acknowledged to me that he executed the within document.



B.A. Estes
Notary Public

368759

CONSENT TO ASSIGNMENT OF LEASE

Mountain West Aviation, LLC, a Nevada Limited Liability Company, hereby consents to the Assignment of Lease set forth above and agrees to be bound by the terms and conditions of the Carson City Airport Lease Agreement attached hereto as Exhibit "1".

DATED this 22nd day of May, 2007.

ASSIGNEE:

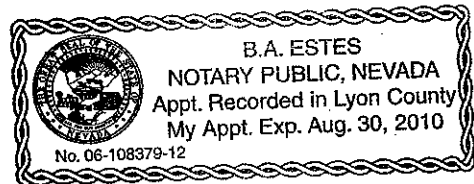
Mountain West Aviation, LLC, a Nevada Limited Liability Company

By *Michael Golden*
President - Mountain West
Equities, Incorporated
Its Managing Member

STATE OF NEVADA)
Carson City) ss.

On May 22, 2007, personally appeared before me, a Notary Public, Michael Golden, President of Mountain West Equities, Incorporated, the Managing Member of Mountain West Aviation, LLC, and in his capacity as such, acknowledged to me that he executed the within document.

B.A. Estes
Notary Public



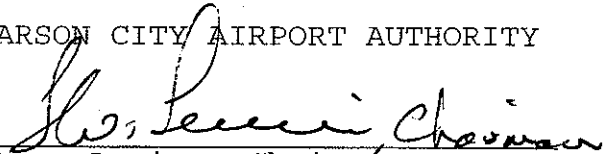
368759

CONSENT TO ASSIGNMENT


The CARSON CITY AIRPORT AUTHORITY hereby consents to the Assignment of Lease set forth above which has been consented to by Mountain West Aviation, LLC, a Nevada Limited Liability Company.

DATED this 22nd day of May, 2007.

CARSON CITY AIRPORT AUTHORITY


Steve Lewis - Chairman

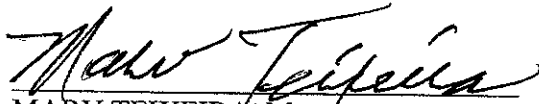
ATTEST:


Collie Hutter - Secretary
Treasurer

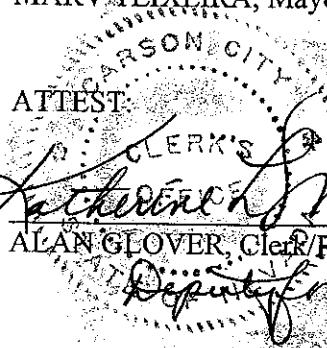

368759

CARSON CITY

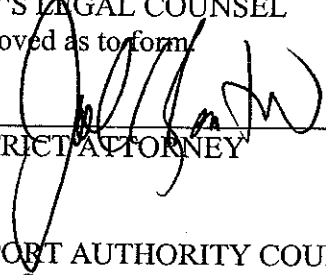
Approved by the Board of Supervisors this 7th day of June, 2007.


MARV. TEIXEIRA, Mayor

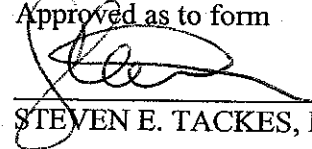
ATTEST



ALAN GLOVER, Clerk/Recorder
Deputy

CITY'S LEGAL COUNSEL
Approved as to form


DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form


STEVEN E. TACKES, ESQ.

368759

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 1st day of June, 1996, between the Carson City Airport Authority (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and Eagle Valley Fuels, LLC (Tenant), whose address is 510 West Fourth Street, Carson City, NV 89702.

WITNESSETH:

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

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

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport identified as lots 44 and 45 as set forth on the Record of Survey Map recorded February 29, 1996 (premises), and the appurtenant rights included in Paragraph 8.

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

3. RENT. Tenant shall pay to Landlord:

A. \$0.03 per square foot per year plus a fuel flowage fee of \$0.05 per gallon of fuel, so long as the facility is used for fuel sales to the public (104,050 sq.ft times \$0.03/yr equals \$3121.50/yr base rent plus fuel flowage fee); In the event that fuel sales are no longer offered to the public, or if any area is used for other than fuel sales, then Tenant shall pay for that area at the rate of \$0.1025 per square foot of building footprint per year and thus \$0.0767 per square foot per year. Rent shall be payable monthly with the first year's payment due in advance and with payments thereafter due on the first day of each month. Tenant shall be responsible for the paving of ramp area per bid condition.

B. Tenant shall pay \$12,000 per lot as a utility infrastructure-fee, separate and apart from any hookup fees assessed by the Carson City Utility Department.

368759

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 1996, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the Price Index) for the preceding two year period. The Price Index shall mean the average for "all items" shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. Landlord shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December 1997 is 155.0 (1982-1984=100) and for December 1995 is 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

5. IMPROVEMENTS. Tenant shall complete all construction within 2 years, and in the event hangars are constructed, then Tenant shall follow the schedule set forth on Exhibit B.

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

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

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

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

D. Filing a petition of voluntary or involuntary bankruptcy.

368759

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

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

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

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

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

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

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

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

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

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

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

8. APPURTENANT RIGHTS AND RESTRICTIONS.

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

Tenant's facility. Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses.

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

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

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

E. Federal Requirements.

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

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

under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

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

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

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

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

7. 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 complete compliance with the Carson City Airport Rules and Regulations upon leased premises.

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

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

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

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

10. INSURANCE AND BONDING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

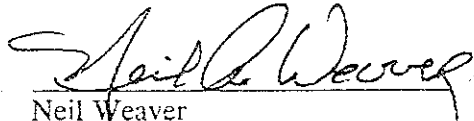
Landlord and the Carson City Sheriff's Office shall have complete dominion over the premises herein during the term of this Lease for the purpose of, and to the extent necessary, to maintain law, order, and safety, and has the authority and the right to deny access to the Carson Airport by any person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

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

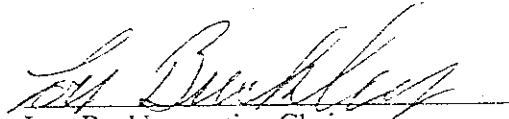
19. ADDITIONAL CONDITIONS. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A. Unless otherwise provided, all construction materials, appearance, and building size shall be completed as represented in the bid submissions.

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TENANT
EAGLE VALLEY FUEL, LLC


Neil Weaver

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


Lou Buckley, acting Chairman

ATTEST:


William Wallace, Airport Authority Board

CARSON CITY

Approved by the Board of Supervisors this 30 day of July, 1996.


MARV TEXIERA, Mayor

ATTEST:


ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

CARSON CITY AIRPORT AUTHORITY
DEVELOPMENT/CONSTRUCTION STANDARDS

APENDIX A

CODE REQUIREMENTS - ALL CONSTRUCTION SHALL MEET ALL CARSON CITY CODES AND REQUIREMENTS INCLUDING THE CARSON CITY AIRPORT AUTHORITY (C.C.A.A.)

OUTSIDE STORAGE APEA - T-HANGARS, SHOP-HANGARS/OFFICE BUILDINGS ETC. SHALL NOT HAVE OUTSIDE STORAGE OF ANY KIND.

WATER - WATER SERVICE SHALL BE BROUGHT TO THE PROPERTY BY THE LEASEHOLDER.

FIRE HYDRANTS - FIRE HYDRANTS MAY BE REQUIRED PURSUANT TO FIRE DEPARTMENT REGULATIONS AND ARE THE LEASEHOLDERS RESPONSIBILITY.

POWER - ELECTRIC POWER SHALL BE REQUIRED TO EACH BUILDING.

FLOORS - GROUND LEVEL CONCRETE FLOORS SHALL BE REQUIRED IN EACH BUILDING.

COLORS - EXTERIOR BUILDING COLORS SHALL BE LIMITED TO BLUE AND TAN MATCHING EXISTING STRUCTURES.

DOOR HEIGHT - T-HANGARS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 12 FT. LARGER OR MULTIPLE AIRCRAFT HANGARS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 19 FT. UNLESS APPROVED OTHERWISE BY THE AIRPORT AUTHORITY.

NEW CONSTRUCTION - ALL BUILDINGS SHALL BE OF NEW CONSTRUCTION.

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LIGHTING - SECURITY LIGHTING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

PARKING - PARKING SPACES SHALL NOT BE REQUIRED FOR HANGARS LOCATED ON THE INTERIOR OF THE AIRPORT. FOR HANGARS THAT ARE LOCATED WITH EXTERIOR ACCESS OR FRONTAGE, ENOUGH SPACES DEEMED PROPER FOR THE SIZE OF THAT BUILDING WILL BE REQUIRED AND WILL BE IN COMPLIANCE WITH APPLICABLE CITY CODES. NO PARKING OR STORAGE WILL BE PERMITTED ON AIRPORT PROPERTIES. AUTOMOBILE PARKING WILL BE RESTRICTED TO THE INDIVIDUAL'S LEASEHOLD BUT WILL NOT ALLOW FOR THE EXTERIOR STORAGE OF BOATS, CONTAINERS, RV'S, TRAILERS, WRECKED AIRCRAFT ETC..

FENCING - IF APPROPRIATE, PROPERTIES WITH EXTERIOR BOUNDARIES SHALL PROVIDE SECURITY FENCING. SAID SECURITY FENCING SHALL BE REQUIRED WITH CONSTRUCTION OF THE STRUCTURE. ALL FENCING SHALL BE 6 FT. HIGH, CHAIN LINK FENCE OR BETTER.

TRASH - ALL PROPERTY, FENCE AND BUILDING LINES SHALL BE KEPT CLEAR OF WEEDS, TRASH AND LITTER. LANDSCAPING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

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EXHIBIT B
CONSTRUCTION EXHIBITS

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

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

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

1. CONSTRUCTION ON PREMISES. Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgements, decrees, regulations, directives, and requirements now, or which may be, applicable to the construction of improvements on the operations and uses of the premises.

A. Construction Phasing

1. All plans completed and submitted to Landlord and governmental offices for approval within 60 days.
2. All permits obtained for construction within 120 days next following.
3. All construction completed within 2 ^{years} ~~days~~.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, of the premises.

C. Certificate of Completion. Upon completion of the improvements, Tenant shall submit to the Landlord a copy of its acceptance letter certifying completion and a

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certified copy of any certificate or permit which may be required by any Federal, State, County, or other local government or agency in connection with the completion or occupancy by Tenant. Tenant shall furnish to Landlord a set of reproducible, final "as built" drawings of any and all improvements not later than ninety (90) days following the completion, occupancy, or initial use of such improvements, whichever comes first.

2. TITLE TO IMPROVEMENTS AND FIXTURES. During the term of this lease, all improvements (other than trade fixtures) erected, installed, or constructed by Tenant on the premises shall become part of the land upon which they are erected, or part of the building to which they are affixed, and title to such improvements, facilities, or alterations shall remain with Tenant. "Trade fixtures" shall remain the property of Tenant and that term shall include, but shall not be limited to, personal property, signs used to identify the Tenant's facilities in and about the premises, and all machinery and equipment installed in, placed on, or used in connection with Tenant's operation.

FILED FOR RECORD
CLERK OF
CARSON CITY CLERK TO
THE BOARD
'96 JUL 12 P2:07

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CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 1st day of June, 1996, between the Carson City Airport Authority (Landlord), whose address is 2600 E. Graves Lane #6 Carson City, Nevada 89706, and Eagle Valley Fuels, LLC (Tenant), whose address is 510 West Fourth Street, Carson City, NV 89702.

WITNESSETH:

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

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

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport identified as lots 44 and 45 as set forth on the Record of Survey Map recorded February 29, 1996 (premises), and the appurtenant rights included in Paragraph 8.

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

3. RENT. Tenant shall pay to Landlord:

A. \$0.03 per square foot per year plus a fuel flowage fee of \$0.05 per gallon of fuel, so long as the facility is used for fuel sales to the public (104,050 sq.ft times \$0.03/yr equals \$3121.50/yr base rent plus fuel flowage fee); In the event that fuel sales are no longer offered to the public, or if any area is used for other than fuel sales, then Tenant shall pay for that area at the rate of \$0.1025 per square foot of building footprint per year and thus \$0.0767 per square foot per year. Rent shall be payable monthly with the first year's payment due in advance and with payments thereafter due on the first day of each month. Tenant shall be responsible for the paving of ramp area per bid condition.

B. Tenant shall pay \$12,000 per lot as a utility infrastructure fee, separate and apart from any hookup fees assessed by the Carson City Utility Department.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 1996, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the Price Index) for the preceding two year period. The Price Index shall mean the average for "all items" shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. Landlord shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December 1997 is 155.0 (1982-1984=100) and for December 1995 is 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

5. IMPROVEMENTS. Tenant shall complete all construction within 2 years, and in the event hangars are constructed, then Tenant shall follow the schedule set forth on Exhibit B.

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

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

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

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

D. Filing a petition of voluntary or involuntary bankruptcy.

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

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

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

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

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

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

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

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

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

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

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

8. APPURTENANT RIGHTS AND RESTRICTIONS.

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

Tenant's facility. Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses.

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

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

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

E. Federal Requirements.

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

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

under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

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

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

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

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

7. 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 complete compliance with the Carson City Airport Rules and Regulations upon leased premises.

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

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

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

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

10. INSURANCE AND BONDING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

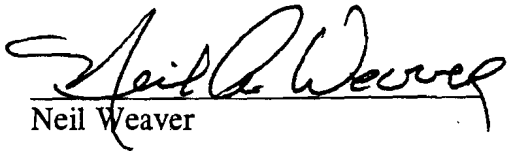
Landlord and the Carson City Sheriff's Office shall have complete dominion over the premises herein during the term of this Lease for the purpose of, and to the extent necessary, to maintain law, order, and safety, and has the authority and the right to deny access to the Carson Airport by any person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

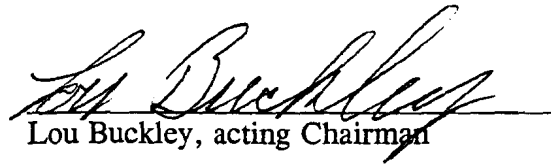
18. NOTICES. It is agreed that any notice to be given or served upon either party shall be sufficient if sent by certified mail, postage prepaid, addressed to the address of the party listed at the beginning of this Lease, or to such other address as may be designated in writing by such party.

19. ADDITIONAL CONDITIONS. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A. Unless otherwise provided, all construction materials, appearance, and building size shall be completed as represented in the bid submissions.

TENANT
EAGLE VALLEY FUEL, LLC

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA


Neil Weaver


Lou Buckley, acting Chairman

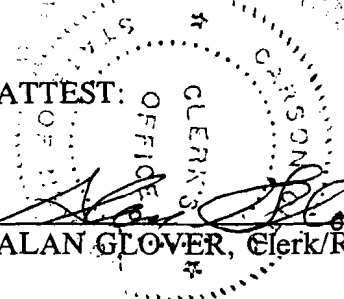
ATTEST:


William Wallace, Airport Authority Board

CARSON CITY

Approved by the Board of Supervisors this 3rd day of July, 1996.

Marv Teixeira
MARV TEXIERA, Mayor

ATTEST:  OFFICE OF THE CLERK/RECORDER
Alan Glover
ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.

Paul Kypreli
DISTRICT ATTORNEY

**CARSON CITY AIRPORT AUTHORITY
DEVELOPMENT/CONSTRUCTION STANDARDS**

APENDIX A

CODE REQUIREMENTS - ALL CONSTRUCTION SHALL MEET ALL CARSON CITY CODES AND REQUIREMENTS INCLUDING THE CARSON CITY AIRPORT AUTHORITY (C.C.A.A.)

OUTSIDE STORAGE AREA - T-HANGARS, SHOP-HANGARS/OFFICE BUILDINGS ETC. SHALL NOT HAVE OUTSIDE STORAGE OF ANY KIND.

WATER - WATER SERVICE SHALL BE BROUGHT TO THE PROPERTY BY THE LEASEHOLDER.

FIRE HYDRANTS - FIRE HYDRANTS MAY BE REQUIRED PURSUANT TO FIRE DEPARTMENT REGULATIONS AND ARE THE LEASEHOLDERS RESPONSIBILITY.

POWER - ELECTRIC POWER SHALL BE REQUIRED TO EACH BUILDING.

FLOORS - GROUND LEVEL CONCRETE FLOORS SHALL BE REQUIRED IN EACH BUILDING.

COLORS - EXTERIOR BUILDING COLORS SHALL BE LIMITED TO BLUE AND TAN MATCHING EXISTING STRUCTURES.

DOOR HEIGHT - T-HANGARS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 12 FT. LARGER OR MULTIPLE AIRCRAFT HANGARS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 19 FT. UNLESS APPROVED OTHERWISE BY THE AIRPORT AUTHORITY.

NEW CONSTRUCTION - ALL BUILDINGS SHALL BE OF NEW CONSTRUCTION.

LIGHTING - SECURITY LIGHTING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

PARKING - PARKING SPACES SHALL NOT BE REQUIRED FOR HANGARS LOCATED ON THE INTERIOR OF THE AIRPORT. FOR HANGARS THAT ARE LOCATED WITH EXTERIOR ACCESS OR FRONTAGE, ENOUGH SPACES DEEMED PROPER FOR THE SIZE OF THAT BUILDING WILL BE REQUIRED AND WILL BE IN COMPLIANCE WITH APPLICABLE CITY CODES. NO PARKING OR STORAGE WILL BE PERMITTED ON AIRPORT PROPERTIES. AUTOMOBILE PARKING WILL BE RESTRICTED TO THE INDIVIDUAL'S LEASEHOLD BUT WILL NOT ALLOW FOR THE EXTERIOR STORAGE OF BOATS, CONTAINERS, RV'S, TRAILERS, WRECKED AIRCRAFT ETC..

FENCING - IF APPROPRIATE, PROPERTIES WITH EXTERIOR BOUNDARIES SHALL PROVIDE SECURITY FENCING. SAID SECURITY FENCING SHALL BE REQUIRED WITH CONSTRUCTION OF THE STRUCTURE. ALL FENCING SHALL BE 6 FT. HIGH, CHAIN LINK FENCE OR BETTER.

TRASH - ALL PROPERTY, FENCE AND BUILDING LINES SHALL BE KEPT CLEAR OF WEEDS, TRASH AND LITTER. LANDSCAPING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

EXHIBIT B

CONSTRUCTION EXHIBITS

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

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

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

1. CONSTRUCTION ON PREMISES. Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgements, decrees, regulations, directives, and requirements now, or which may be, applicable to the construction of improvements on the operations and uses of the premises.

A. Construction Phasing

1. All plans completed and submitted to Landlord and governmental offices for approval within 60 days.
2. All permits obtained for construction within 120 days next following.
3. All construction completed within 2 ^{years} ~~days~~.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, of the premises.

C. Certificate of Completion. Upon completion of the improvements, Tenant shall submit to the Landlord a copy of its acceptance letter certifying completion and a

certified copy of any certificate or permit which may be required by any Federal, State, County, or other local government or agency in connection with the completion or occupancy by Tenant. Tenant shall furnish to Landlord a set of reproducible, final "as built" drawings of any and all improvements not later than ninety (90) days following the completion, occupancy, or initial use of such improvements, whichever comes first.

2. TITLE TO IMPROVEMENTS AND FIXTURES. During the term of this lease, all improvements (other than trade fixtures) erected, installed, or constructed by Tenant on the premises shall become part of the land upon which they are erected, or part of the building to which they are affixed, and title to such improvements, facilities, or alterations shall remain with Tenant. "Trade fixtures" shall remain the property of Tenant and that term shall include, but shall not be limited to, personal property, signs used to identify the Tenant's facilities in and about the premises, and all machinery and equipment installed in, placed on, or used in connection with Tenant's operation.

FILED FOR RECORD
AT THE REQUEST OF
CARSON CITY CLERK TO
THE BOARD
'96 JUL 12 P2:07

FILE NO. 191541
ALAN GLOVER
CARSON CITY CLERK
FEE \$ *ALC*