

NF  
AIRPORT  
D. 201991

FILED  
NO. 89-039 AMENDED AIRPORT LEASE AGREEMENT

'89 JUL 26 A8:24 JOHN SCOTT

THIS AGREEMENT, made and entered into this 6th day of August, 1987, by and between the COUNTY OF DOUGLAS, by and through the Douglas County Board of Commissioners, FIRST PARTY, hereinafter known as LESSOR, and JOHN SCOTT, SECOND PARTY, hereinafter referred to as LESSEE.

W I T N E S S E T H:

WHEREAS, LESSOR is desirous of entering into an Airport Lease Agreement with LESSEE of certain real property owned by Douglas County; and

WHEREAS, Section 495.040 of the Nevada Revised Statutes authorizes the Board of County Commissioners of any county to lease real county property for use and occupancy as airport facilities and airport services; and

WHEREAS, LESSOR has published notice of intention to lease the real property hereinabove listed, which is the subject of this lease agreement, in the Record Courier, a newspaper of general circulation in Douglas County, Nevada, once a week for thirty (30) days proceeding the date of the regularly scheduled meeting of the Douglas County Board of County Commissioners at which this lease was executed; and

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WHEREAS, LESSOR is the owner of the Douglas County Airport in Douglas County, Nevada, hereinafter referred to as the AIRPORT; and

WHEREAS, LESSOR deems it advantageous to itself and to its operations of the Airport to lease to LESSEE certain parcels of real property, described herein, together with certain privileges, rights, uses and interests therein; and

WHEREAS, LESSEE had indicated a willingness and ability to properly keep, maintain and improve said grounds in accordance with standards established by LESSOR, attached hereto and unincorporated herein, if granted a lease of sufficient term; and

WHEREAS, LESSEE desires to obtain and avail himself of the privileges, rights, uses, requirements and interests herein as stated in the Douglas County Airport Rules and Regulations, and the minimum standards as established by LESSOR.

NOW, THEREFORE, the parties hereto agree as follows:

1. Descriptions of Premises - LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR on the terms and conditions hereinafter set forth all that portion of real property owned by Douglas County situated in the County of Douglas on Douglas County Airport, more particularly described in Exhibit "A" attached hereto and made a part hereof.

2. Term - The term of this lease shall be for a period of thirty (30) years commencing on October 1, 1987 and terminating on September 30, 2017.

3. Option - LESSEE shall have the option to renew this lease for a period of ten (10) years upon the expiration of the initial term hereof upon the same terms and conditions as herein contained, provided, however, that all terms, covenants and conditions of the initial lease term have been met and fulfilled. Written notice of LESSEE's intention to review this lease shall be given to LESSOR in writing at least ninety (90) calendar days prior to the expiration of the initial term of this lease or this lease shall be null and void.

4. Rental - Except as hereinafter provided, the rental for the demised premises which LESSEE hereby agrees to pay to LESSOR without deduction or offset at the Douglas County Airport, or at such other place or places as may be designated from time to time by LESSOR, is the sum of THREE HUNDRED DOLLARS (\$300.00) which is based on TWENTY FIVE DOLLARS (\$25.00) per month for the first five years. Said annual payment of \$300.00 is due in advance on or before the 1st day of October of each year commencing on October 1, 1987. The first and last month rent shall be prorated. After the first five years the rent shall be adjusted annually in accordance with the Consumer Price Index, however, it shall not be less than the previous payment. The annual adjustment to the rental amount based on the Consumer Price Index shall apply to any extension pursuant to paragraph 3 hereof.

5. Use Purposes - LESSEE shall, at his own expense, construct and install within the leased area a square or rectangular metal hangar suitable for the storage of aircraft, in accordance with the standards of the Douglas County Engineer. LESSEE shall not use or permit said premises or any other portion thereof to be used for any other purpose than the storage of aircraft without the prior consent of the Airport Manager. LESSEE may store his automobile in the hangar while the aircraft is being used.

6. Utilities - LESSEE shall pay for all water, gas, heat, lights, power, telephone service and all other services supplied to the leased premises, including the cost of installation and maintenance thereof, if any.

7. Construction and Disposal of Buildings - LESSEE shall, at its own expense, commence construction of the buildings on the demised premises within six (6) months on the effective date of this lease and shall be completed within one (1) year after October 1, 1987 or the lease shall become null and void. Should LESSEE encounter unusual and documentable delays caused by the County in the acquisition of the required permits and deadline shall be extended proportionately. Upon expiration of this lease, or any extension thereof, the buildings shall not become the property of LESSOR. Any improvements constructed on the site shall be removed at the sole cost of the LESSEE and the site shall be placed in the condition it was prior to the lease.

8. Maintenance of Premises and Buildings - LESSEE shall at his sole cost and expense keep and maintain the leased premises and improvements thereof, if any, regardless of ownership, and all portions thereof in good, safe and sanitary order, condition and repair and shall keep the leased premises clean and free of weeds, debris and other unsightly or unsafe matter including, but not limited to, containers and paraphernalia connected with aircraft operation, maintenance and repair, and shall dispose of all debris and other waste matter which may accumulate. LESSEE shall provide metal containers with proper covers for the temporary keeping on the demised premises.

9. Compliance with Laws - LESSEE agrees that he will not use or permit said premises to be used for any unlawful purpose or for any purposes which will injure the reputation of the Douglas County Airport of which the demised premises are a part. LESSEE shall not commit nor suffer to be committed any waste upon the demised premises, or any public or private nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant of the Douglas County Airport of which the demised premises are a part. LESSEE shall at his sole cost and expense promptly observe and comply with all laws, orders, regulations, rules, ordinances and requirements now in force or which may hereafter be in force of Federal, State and County governments or other lawful governmental bodies or any of their departments,

bureaus, or officers having jurisdiction over the leased premises or any of the activities conducted thereon. LESSEE agrees to observe and obey during the term of this lease all laws, ordinances, rules and regulations now in effect or promulgated in the future by the LESSOR and/or by any other proper authority having jurisdiction over the conduct of operations at the Douglas County Airport. LESSEE shall do all things which may be required of him or be deemed necessary on account of the use by LESSEE of said premises, and LESSEE shall and does agree to pay at his sole cost and expense all fines, penalties, damages, costs and expenses that may in any manner arise out of or be imposed because of the failure of LESSEE to comply with this paragraph. LESSEE shall and does hereby agree to save LESSOR harmless from any damage, injury or loss suffered by reason of any breach by LESSEE of this paragraph.

10. Assignment - LESSEE shall not assign this lease or any interest therein, and shall not subject the premises or any portion thereof or any rights or privileges appurtenant thereto or offer any other person (agents and servants of LESSOR excepted) to occupy or use the said premises or any portion thereof without the prior written consent of LESSOR. Consent to one assignment, subletting, occupation or use by another person shall not be deemed to be consent to any subsequent assignment,

subletting, occupation or use by another person. Any such assignment or subletting without such prior written consent shall be void and shall at the option of LESSOR terminate this lease. This lease shall not, nor shall any interest therein, be assignable as to LESSEE's interest by operation of law without the prior written consent of LESSOR.

11. Abandonment - LESSEE shall not vacate or abandon the premises described herein at any time during the term hereof. If LESSEE should abandon, vacate or surrender said premises or be dispossessed thereof by process of law or otherwise, any personal property belonging to LESSEE and left on said premises shall be deemed to be abandoned at the option of LESSOR.

12. Time - Time is of the essence of this agreement.

13. Binding on Successors - The covenants, terms, and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto and all such parties shall be jointly and severally liable hereunder.

14. Right of Entry - LESSOR reserves the right to enter upon the demised premises at any reasonable time for the purpose of making any inspection it may deem expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of this agreement.

15. Insurance - LESSEE shall during the term of this lease carry public liability, property damage which shall provide coverage 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 the LESSEE's operations or omissions on said leased premises or at the Douglas County Airport. The policy limits of said policies shall be not less than ONE MILLION DOLLARS (\$1,000,000.00). Such insurance policies shall be in a form which meets with the approval of LESSOR and shall be underwritten by a company or companies to be approved by LESSOR. Said policies shall name LESSOR, its officers and employees, as additional insured and shall not in any way limit the coverage provided by said policy or policies for injury or damage to the persons or property of LESSOR, its officers and employees, arising or resulting for any wrongful act or omission or negligence on the part of LESSEE, his officers, servants and employees. Other insurances of LESSOR shall not be required to participate with said insurance in the payment of any damages. Said insurance policy or policies or certificates evidencing issuance of the policies required herein shall be filed with the Airport Manager concurrently with the execution of this lease and shall include an endorsement precluding cancellation thereof without ten (10) days' prior written notice to LESSOR.



LESSEE shall, in addition to the insurance above required, provide similar liability insurance covering LESSOR, its officers and employees, during the construction of any and all improvements made by LESSEE upon the leased premises and/or pursuant to this lease. Said policy shall remain in full force and effect until the completion of all of said improvements and the acceptance thereof by the Douglas County Engineer.

16. Taxes - LESSOR agrees to pay all real property taxes and special assessments levied against the real property and improvements located thereon during the term of this lease, if any.

17. Hold Harmless Agreement - LESSEE agrees to and does hereby hold LESSOR, its appointive and elective boards, officers, commissions and employees harmless from any liability for damages or claims for damages for personal injuries including death as well as from claims for property damage which may arise from LESSEE's operations under this lease whether such operations be by LESSEE or any one or more persons directly employed by or acting as agents for LESSEE or as contractors of LESSEE.

LESSEE agrees to and shall defend LESSOR, its elective and appointive boards, officers, commissions and employees from any suits or actions at law or in equity for damages caused or alleged to have been caused by reason of the aforesaid operations; provided, however that LESSOR does not and shall not

waive any rights against LESSEE which he may have by reason of this hold harmless agreement by reason of acceptance by LESSOR or deposit with LESSOR by LESSEE of any insurance policies or certificates of insurance described in Paragraph 15 hereof, and provided further that this hold harmless agreement shall apply to all damages and claims for damages of every kind suffered or alleged to have been suffered by reason of any of LESSEE'S operations, whether or not such insurance policies have been determined to be applicable to any of such damages or claims for damages, and is deemed to include any damages or injuries to LESSOR, LESSOR'S property or any of LESSOR'S officers or employees.

18. Use of Airport Facilities - Subject to the terms and conditions stated herein, it is understood and agreed that LESSEE shall have the right to use wash racks and other facilities off of the leased premises that same as other users on a first come, first serve basis.

19. Breach of Lease - In the event of any breach of this lease by LESSEE, LESSOR, besides other rights or remedies it may have shall have the immediate right of re-entry and may remove all persons and property from the premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of LESSEE. Should LESSOR elect to re-enter as herein provided, or should LESSOR take possession.

pursuant to legal proceedings or pursuant to any notice provided by law, LESSOR may either terminate this lease or may, from time to time, without terminating this lease, relet said premises or any part thereof for such term or terms at such rental or rentals and upon such other terms and conditions as LESSOR, in its sole discretion, may deem advisable with the right to make alterations and repairs to the said premises. Rentals received by LESSOR from such reletting shall be applied first to payment of any indebtedness other than rental due hereunder from LESSEE to LESSOR; second, to payment of rental due and unpaid hereunder; third, to payment of any cost of such reletting; and fourth, to payment of the cost of any alterations and repairs to the premises, and the residue, if any, shall be held by LESSOR and applied to payment of further rental as the same may become due and payable hereunder. Should such rentals received from such reletting during any month be less than agreed to be paid during that month by LESSEE hereunder, then LESSEE shall pay such deficiency to LESSOR. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises by LESSOR shall be construed as an election on its part to terminate this lease for any breach. In addition to any other remedy LESSOR may have, LESSOR may recover from LESSEE all damages it may incur by reason of such breach, including the cost of recovering the premises and including the worth at the time of such termination of the excess, if any, of the amount of rental

and charges equivalent to rental reserved in this lease for the remainder of the stated term over the then reasonable rental value of the stated term.

20. Interfering with Airport Operations - There is hereby reserved to the County of Douglas, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the premises herein leased, together with the right to cause in said airspace such noise as may be inherent in the operation of the aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on Douglas County Airport.

The LESSEE by accepting this lease expressly agrees for itself, its successors and assigns, that it will not make use of the property in any manner which might interfere with the landing and taking off of aircraft from said Douglas County Airport or otherwise constitute an airport hazard. In the event the aforesaid covenant is breached the LESSOR reserves the right to enter on the land leased hereunder and cause the abatement of such interferences at the expense of the LESSEE.

21. Waiver of LESSOR's Rights - It is further agreed that failure on the part of the LESSOR to declare this lease terminated for default of one or more of the covenants hereof by the LESSEE, shall not be considered as a waiver of such rights or a waiver of any further or future defaults on the part of the LESSEE.

22. Non-discrimination - The LESSEE for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof does hereby covenant and agree as a covenant running with the land, that:

A. No person on the grounds of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

B. 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 subjected to discrimination;

C. LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Non-discrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

D. In the event of breach of any of the above non-discrimination covenants, the County of Douglas shall have the right to terminate the lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if said lease had never been made or issued.

IN WITNESS WHEREOF, LESSOR has caused this instrument to be duly executed on its behalf by its duly elected and acting Board of County Commissioners, and its seal to be hereunto affixed and LESSEE has caused this instrument to be duly executed on his behalf, all as of the day and year first above written.

APPROVED AS TO FORM:

LESSOR  
BOARD OF COUNTY COMMISSIONERS  
DOUGLAS COUNTY, NEVADA

Robert J. Morris  
DISTRICT ATTORNEY

[Signature]  
MICHAEL E. FISCHER, Chairman

APPROVED AND RECOMMENDED  
AS TO CONTENTS

LESSEE

[Signature]  
AIRPORT MANAGER

[Signature]  
JOHN SCOTT

ATTEST:

Barbara J. Reed  
BARBARA J. REED, Clerk  
by: [Signature] Deputy

DATED: 6-27-89

CERTIFIED COPY

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

DATE: July 26, 1989  
S. Reed Clerk of the Judicial District Court  
of the State of Nevada, in and for the County of Douglas.

By [Signature] Deputy 14-

SEAL

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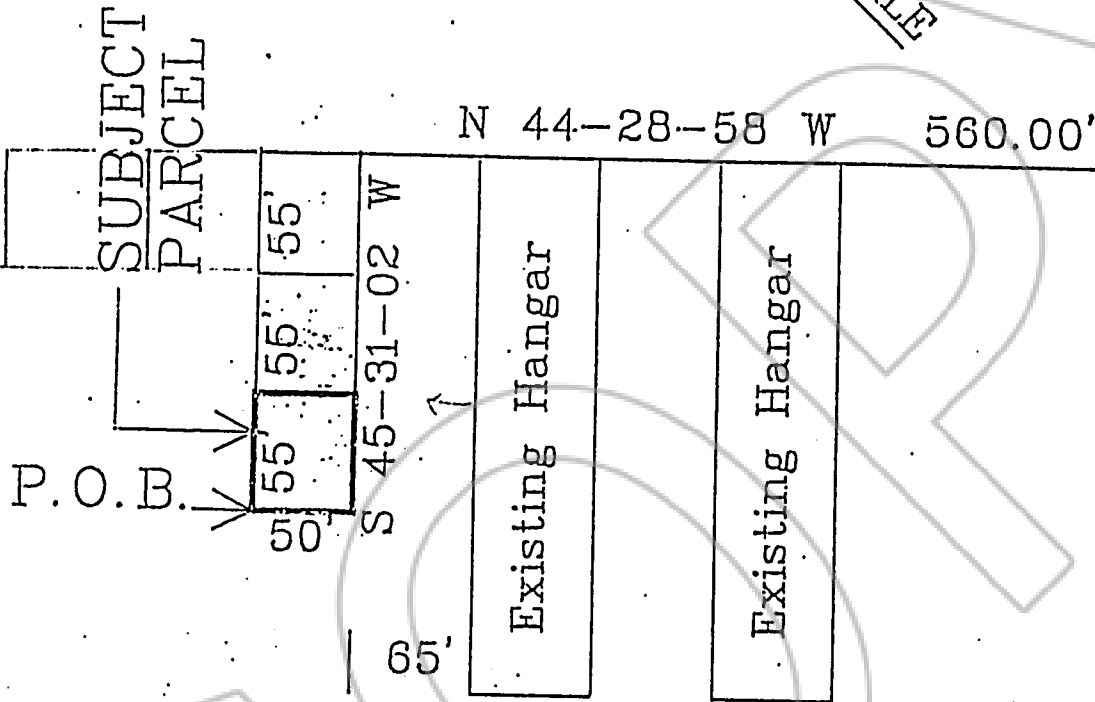
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DOUGLAS COUNTY AIRPORT  
 JOHN SCOTT  
 AUGUST 1987

DOUGLAS COUNTY AIRPORT  
 CONTROL MONUMENT # 2  
 PER DOCUMENT # 128085

NORTH: NO SCALE

S 45-31-02 W  
 1215.46'



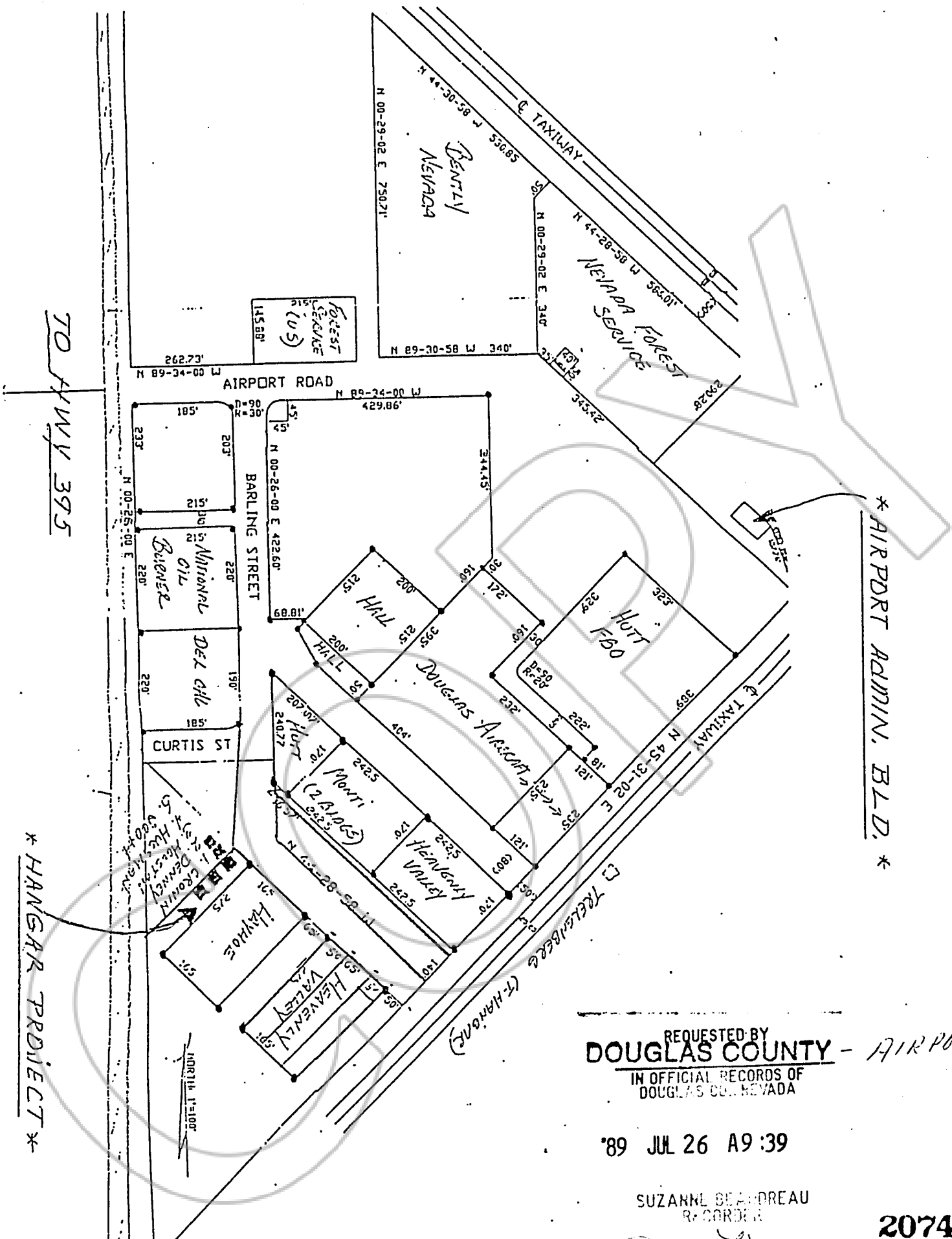
This parcel being in a portion of the SW 1/4 of Section 8, Township 13 North, Range 20 East, M.D.B. & M., and more particularly described as follows:

Commencing at Airport Control Monument #2 as shown on Record of Survey #14 for Douglas County, as recorded December 12, 1985, in Book 1285 at Page 933 as Document Number 128085; thence South 45°31'02" West, a distance of 1215.46 feet; thence North 44°28'58" West, a distance of 560.00 feet; thence South 45°31'02" West, a distance of 165.00 feet to the TRUE POINT OF BEGINNING; thence South 44°28'58" East, a distance of 50.00 feet; thence North 45°31'02" East, a distance of 55.00 feet; thence North 44°28'58" West, a distance of 50.00 feet; thence South 45°21'02" West, a distance of 55.00 feet to the TRUE POINT OF BEGINNING.

Said parcel containing 2,750.00 square feet more or less.

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TO HWY 395

\* AIRPORT ADMIN. BLD. \*

\* HANGAR PROJECT \*

REQUESTED BY  
**DOUGLAS COUNTY - AIRPORT**  
 IN OFFICIAL RECORDS OF  
 DOUGLAS CO., NEVADA

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SUZANNE BEAUDREAU  
 RECORDER

207416

\$ PAID DEPUTY CLERK 789 PAGE 2949