

FILED

89.065

AIRPORT LEASE AGREEMENT

'89 OCT 25 P3:01

BARBARA REED
CLERK

This lease is made on October 5, 1989, ^{BY *lynd*} DEPUTY, between

the County of Douglas, by the Douglas County Board of Commissioners (Landlord), whose address is Post Office Box 218, Minden, Nevada 89423, and Douglas County Mosquito Abatement District, (Tenant), whose address is Post Office Box 241, Minden, Nevada, 89423, who agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Douglas County Airport in exhibit A, (premises) the existing building and other improvements to be constructed in accordance with exhibit B, and the appurtenant rights included in paragraph 8.

2. TERM. The term shall commence on October 5, 1989, and shall expire on October 4, 1999 a period of Ten (10) years.

3. RENT. Tenant shall pay to Landlord as minimum monthly rent without deduction, setoff, prior notice or demand, the following:

- a) Eighteen Dollars and Fifty Four Cents, (\$18.54), or the amount as adjusted below,

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The minimum monthly rent in 3(a) shall be subject to adjustment at the commencement of the second year of the term and each year thereafter (the adjustment date) and for any extended term as follows:

The base for computing the adjustment is the Consumer Price Index, published by the United States Department of labor, Bureau of Labor Statistics (index), which is in effect on the date of the commencement of the term (beginning index). The index published immediately preceding the adjustment date in question (extension index) is to be used in determining the amount of adjustment. If the extension index has increased over the beginning index the minimum monthly rent for the following year until the next rent readjustment shall be set by multiplying the minimum monthly rent set forth in paragraph 3 above by a fraction, the numerator of which is the extension index and the denominator of which is the beginning index. In no case shall the minimum monthly rent be less than the rent in effect immediately prior to the adjustment date then occurring.

4. AUDIT. Landlord has, in addition to the right of confidential review of records, the right to audit the accounts and records of the Tenant. Should a discrepancy of five percent (5%) or more be found in the gross receipts

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reported to the County, the cost of such an audit will be borne by the Tenant.

5. 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 10 days after notice has been given to Tenant.
- b) Abandonment and vacation of the premises (failure to occupy and operate the premises for 30 consecutive days shall be deemed an abandonment and vacation).
- c) Failure to perform any other provision of this lease if the failure to perform is not cured within 30 days after notice has been given to Tenant. If the default cannot reasonably be cured within 30 days, Tenant shall not be in default of this lease if Tenant commences to cure the default within the 30 day period and diligently and in good faith continues to cure the default.
- d) Filing a petition of voluntary or involuntary bankruptcy with respect to the operator or license.
- e) The making by the operator or licensee of any general assignment for the benefit of creditors.

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

Notices given under this paragraph shall specify the alleged default and the applicable lease provisions, and shall 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 shall be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice.

6. 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 cost Landlord incurs in reletting the premises. Reletting can be for a period

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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. No act by Landlord allowed by this paragraph shall terminate this lease unless Landlord notifies Tenant that Landlord elects to terminate this lease after Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the premises. If Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.

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 for 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. 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.

7. OPTION TO EXTEND TERM. Tenant is given the option to extend the term on all the provisions contained in this

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lease, except for minimum monthly rent, for a five, (5), year period following expiration of the initial term, by giving written notice of exercise of the option to Airport Manager at least three months but not more than one year before expiration of the term. If Tenant is in default on date of giving option notice or is in default on date the extended term is to commence, the option notice is ineffective and the lease shall expire at the end of the initial term.

Minimum monthly rent for the extended term shall be adjusted annually by the method detailed in paragraph 3 with the beginning index being the date of the commencement of the lease.

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises only as an aircraft storage operation, storage and dispensing of Laruacides, storage of required equipment for Tenant's operation and is expressly prohibited from conducting any activity at the Airport other than that provided by this agreement.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the apron area between premises and runway.

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C. Right of Entry. The Airport Manager reserves the right to enter upon the leased premises at any reasonable time for the purpose of making any inspection he may deem expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of this agreement.

D. Air Space Rights. This lease confers no rights either with regard to the subsurface of the land more than 5 feet below the ground level of the premises or with regard to airspace more than 10 feet above the top of the roof of the building that is a part of the premises.

E. Federal Requirements. The Tenant assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, or color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates the Tenant or its transferees for the period during which Federal assistance is extended to the airport program, except where federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the

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Provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the contract.

F. All agreements shall be subordinated to any present or future sponsor's assurance agreement with the Federal Aviation Administration.

9. ASSIGNMENT AND SUBLEASING. No Tenant shall sublease any premises, or assign such lease without the prior written approval of the Airport Manager. Any such subletting or assignment shall be subject to all of the minimum standards set forth in this lease. In the event the lessee sublets any portion of his lease, the sublessee must assume the full obligations of the lease and must fully cooperate with the County in seeing that these standards are complied with.

The Landlord shall reserve the right to assign, pledge, or hypothecate any agreement without the consent of the other party.

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10. INSURANCE AND BONDING.

A. Coverage. Tenant shall provide, at his own cost, insurance coverage in the amount of ONE MILLION DOLLARS(\$1,000,000) the category to be underwritten 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 vehicles and/or 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 Douglas County Airport.

B. Insured Includes. Landlord shall 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

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policies shall be maintained in full force and effect during the term of the lease, and renewals or extensions of same. A copy of the policy shall be delivered to the Airport Manager.

11. HOLD HARMLESS. The Tenant in consideration of the Landlord 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 or 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.

Landlord, its officers' boards, commissions, agents or 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 shall not be required to provide any maintenance of gross area leased or of buildings or facilities erected by licensee.

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

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Tenant shall maintain all leased areas, landscaping, pavement, facilities, and structures in a state of repair and good appearance acceptable to the Landlord.

Landlord shall be the sole judge of the quality of maintenance and, upon written notice, Landlord may require Tenant to perform all necessary maintenance. In the event such maintenance is not undertaken as required, Landlord may perform such maintenance 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 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. REPORTING. Anything that affects the safe and efficient operation of the airport shall be immediately reported to the Airport Manager.

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APPROVED AS TO FORM:

LESSOR
BOARD OF COUNTY COMMISSIONERS
DOUGLAS COUNTY, NEVADA

Robert J. Morris, Jr.
DISTRICT ATTORNEY

Michael E. Fischer
MICHAEL E. FISCHER, CHAIRMAN

APPROVED AND RECOMMENDED
AS TO CONTENTS

LESSEE

H. Dwight Briggs
AIRPORT MANAGER

Ronald Dupak

E. J. Shatto

ATTEST:

Ph. O. Mc...

Ben H. Middleton

Barbara J. Reed
BARBARA J. REED, Clerk
by: R. Dupak, deputy

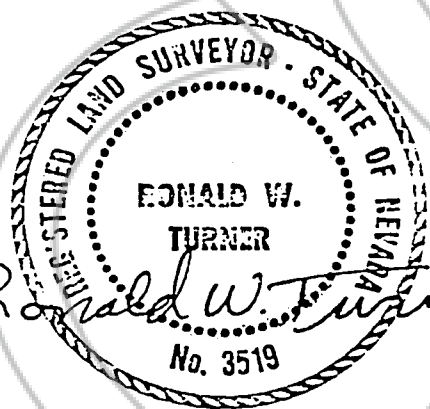
DATED: 9-5-89

EXHIBIT A
DESCRIPTION
LEASE PARCEL

All that real property situate in the County of Douglas, State of Nevada, and being a portion of the Southeast 1/4 of Section 8, Township 13 North, Range 20 East, M.D.M., more particularly described as follows:

Commencing at Airport Control Monument No.2 as shown on the Amended Record of Survey #14 for Douglas County, filed for record on April 4, 1988, as Document No.175533; thence North 44°28'58" West 755.86 feet; thence North 0°29'02" East 340.00 feet to the True Point of Beginning; thence continuing North 0°29'02" East 12.43 feet; thence North 44°30'58" West 57.43 feet; thence North 45°27'02" East 44.21 feet; thence South 44°30'58" East 66.22 feet; thence South 45°29'02" West 53.00 feet to the True Point of Beginning.

Containing 2,966 square feet (0.068 acres) more or less.



Ronald W. Turner

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**MOSQUITO ABATE-
MENT LEASE PARCEL**
(2,966 SF, 0.068 AC)

Q. TWINWAY

74'

N 45° 29' 02" E, 44.21'

S 44° 30' 58" E, 66.22'

Existing Building

N 44° 30' 58" W, 57.43'

S 50° 00' 00" E, 53.00'

S 45° 29' 02" W, 53.00'

N 00° 29' 02" E, 12.43'

POB

Proposed Future
Lease Area Expansion
(10,300 SF, 0.2366 AC)

100.0'

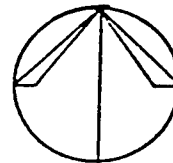
BENTLY NEVADA

STATE
FORESTRY

N 00° 29' 02" E, 340.00'

● FOUND REBAR & ALUM
CAP, RLS 3759 PER
DOCUMENT No 175633

○ SET 1/2" IP WITH PLUG
RLS 3519



NORTH - NTS

30' PRIVATE
ACCESS EASEMENT

**DOUGLAS COUNTY AIRPORT
MOSQUITO ABATEMENT LEASE PARCEL
JUNE 1989**

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N 44° 28' 58" W, 755.86'

Douglas County Airport
Control Monument No 2

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EXHIBIT B

CONSTRUCTION EXHIBITS

1. If required by any Federal, State or local agency, the lessee shall prepare and submit an environmental impact statement to measure the effect of the proposed project on the ecology of the area. 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 County.

Tenant shall be required to furnish to the County 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 said improvements will be free from any liens. A cash deposit or the pledging of a savings account to the County in the amount of ten percent (10%) of the estimated improvement value may be used by the Tenant in lieu of a performance bond. Such deposit or pledging of a savings account to be returned to the Tenant upon acceptance by the County of the completed improvements.

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2. Tenant is obligated to construct facilities and paving within a 6 month period. Construction to begin within 60 days of commencement of lease.

Tenant shall remove at his cost all tenant-constructed improvements upon termination of the agreement and restore the premises. Title shall at all times remain in the Tenant, but the County shall have the option on termination to take title in lieu of removal.

A. Duane Biggs

Airport Manager

Ronald Lynch

Tenant

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: October 25, 1989
B. Reed Clerk of the 94th Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By *L. Lynch* Deputy

SEAL

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

'89 OCT 26 A8:55

SUZANNE BLAUDREAU
RECORDER

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s. *B* PAID *K12* DEPUTY

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