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OFFICIAL RECORD

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Date: SEPTEMBER 22, 2005

Recording Requested By:

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 8 Fee: 0.00
BK-0905 PG- 8663 RPTT: 0.00



✓ Name: JIM BRASWELL/MINDEN-TAHOE AIRPORT

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

AGREEMENT #2005.189
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2. (Additional recording fee applies)
This cover page must be typed or legibly hand printed.

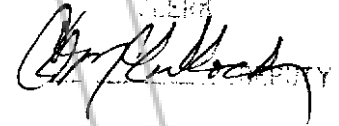
Minden-Tahoe Airport

2005.189

**Commercial Operator Agreement
for
Full Service Fixed Base Operator**

2005 SEP 22 AM 11:56

DANICARA REED
CLERK



1. GRANT OF AGREEMENT

Douglas County (County) grants to Hutt Aviation, Inc., (Permitee), a revocable and non-exclusive agreement to enter onto the Minden-Tahoe Airport for the purpose of commercial operations as a full service fixed base operator effective October 1, 2005. The County's representative for the purposes of this agreement is the Operational Services Director (Director).

2. USE

This agreement permits Permitee to operate a full service F.B.O. at Minden-Tahoe Airport. Applicant agrees to provide the minimum required services under the Minimum Standards (designated by *) and may provide any additional services listed below and allowed under the airport minimum standards and in compliance with any zoning or use requirements as provided for in Title 20 of the Douglas County Code. The Permitee agrees to provide the following services:

1. Corporate aircraft management.*
2. Commuter airline operations.
3. Air charter operations and related commercial flight activities.*
4. Complete executive aircraft services including arrival and departure lounge separate from the flight school operations.
5. Flight instruction.*
6. Aircraft rental.
7. Complete ground school services for student pilots and refresher courses those holding airman certificates.
8. Rental cars*.
9. New and used aircraft sales.
10. A complete aircraft maintenance facility* including:
 - a. An aircraft engine shop.*
 - b. Airframe repair.*
 - c. A propeller shop.
 - d. An avionics shop.
 - e. A paint shop.
 - f. An upholstery shop.
11. Aircraft storage.*
12. Management of sales of 80 and 100 octane aviation fuel and jet fuel and all other aviation fuels and products.*
13. Research and development operations.
14. A coffee shop upon the premises.
15. All other lawful allied services and uses.



Additional services:

a. Aeronautical Advisory Service – Utilizing the LESSOR (County in this paragraph)-owned UNICOM transceiver and wind instruments located and to be maintained in the above described fuel office and the LESSEE (Permitee in this paragraph)-owned FAA approved altimeter instrument(s), LESSEE shall provide advisory service, including altimeter settings, as follows: from October 1 to April 30 from 0800 to 1700 hours local time. From May 1 to September 30 for 0700 to 1900 hours local time and as needed by prearrangement when instrument meteorological conditions exist. LESSOR to maintain and replace all LESSOR owned equipment at LESSOR's expense.

b. Line Service* – LESSEE shall provide line services for transient aircraft by directing and securing aircraft upon LESSOR –owned designated transient tie-downs when available. LESSEE shall collect transient tie-down fees in an amount to be agreed upon by LESSOR and LESSEE and accounted for monthly and recapitulated in the annual report above mentioned. Nothing contained herein shall restrict LESSEE from storing aircraft upon LESSEE's premises indoors or outdoors.

c. LESSEE shall designate an employee who will read the weather station data and record same upon forms provided on a daily basis. LESSEE shall then compile the data into the monthly report upon forms provided and mail to the National Weather Service in envelopes provided.

3. TERM

This agreement will continue for the term of the Airport Lease Agreement dated September 4, 1986 between County of Douglas and Hutt Aviation Inc., unless terminated by Permitee or by the County for a material violation of the airport minimum standards or material violation of any county, state or federal requirement for operation by the permittee on the Minden-Tahoe Airport with a failure to timely cure.

4. LAND AND BUILDINGS

The Permitee agrees to lease or sublease for a minimum of five years the following property and lease, own or construct the following buildings:

- A. A full service FBO site of approximately 115,881 sq. ft.
 - (1) 10,000 sq. ft. of hangar space owned by permittee with appropriate storage, maintenance and shop facilities.
 - (2) 2,500 sq. ft. of office space owned by permittee.
 - (3) 143,146 sq. ft. of ramp area with tie down and storage area.
 - (4) Space in the fuel farm for four 12,000 gal. fuel tanks owned by permittee.

B. A land lease (LL012) for 65,367 sq. ft. dated October 1, 1998, and amended September 6, 2001 to add 3,961 sq. ft. for a self-service fuel site.

5. FEES AND ADMINISTRATIVE CHARGE

The Permitee agrees to pay the following fees:

A. A fee of one percent of gross sales, excluding corporate aircraft management fees, aircraft sales, aviation oil sales, payable monthly.



B. Permittee agrees to pay two and a half percent of the selling price of all aviation fuel, including auto gas, pumped into aircraft or equipment operated by anyone including permittee.

C. Permittee agrees to pay the County a fuel storage facility fee of \$0.003 per gallon of fuel dispensed each month for the first five years as set out in the June 4, 1992 amendment. Thereafter adjusted every five years according to the increase of the accumulative annual rates of the Consumer Price Index, published by the United States Department of Labor, Bureau of Labor Statistics, San Francisco.

The Permittee must provide a monthly revenue report of all gross income subject to the one percent fee to the director and include the amount of fuel fees and the amount of fuel pumped and the retail price per gallon of each product. The Permittee must provide an annual report within 60 days of the anniversary of this agreement. The report must be prepared by a certified public accountant and must compile the year's gross income and fees. The director has the right to have an audit by county auditors or an independent certified public accountant at any time at the county's cost. If there is more than a five percent difference between reported amount and the audited amount the Permittee is responsible for paying the difference and the cost of the audit.

Permittee agrees to pay an administrative charge as set by resolution of the Board (currently \$0). The administrative charge is due on the effective date of this agreement and annually during the term of the agreement. The charge may increase each year by the change in the Consumer Price Index. The base for computing the adjustment is the Consumer Price Index (CPI), published by the United States Department of Labor, Bureau of Labor Statistics (index), San Francisco - Oakland - San Jose, which is in effect on the date of the commencement of the term (beginning index), or other comparable measurement or index which may replace the CPI. Any annual increase in the administrative charge will not exceed 5%. The adjustment will be made once a year based on the first quarter index. Notice of any adjustment will be sent to Permittee 30 days before the amount is due.

6. AIRPORT ACCESS AND STAGING AREAS

The director shall designate the route and method of ingress and egress to and from airside Airport facilities. Permittee and Permittee's guests, visitors, clients, and students must use the route designated by the director. The director will designate areas for all staging and parking activities that utilize Minden-Tahoe Airport public facilities.

7. AIRPORT RULES AND REGULATIONS AND MINIMUM STANDARDS

Permittee agrees to abide by and comply with all terms of the Airport rules and regulations and the Minimum Standards for Development for Fixed Base Operators and Airport Tenants. Failure to materially comply with the Airport rules and regulations or minimum standards may result in fines, suspensions, or termination of this agreement. Permittee shall be notified of any violation and shall have 45 days to cure or reach an agreement with the director to cure any violation. Violations which threaten the safety of Airport operations or patrons or tenants shall be cured immediately as possible upon notice. Failure to cure violations will result in the termination of this agreement.

8. PERMITS AND APPROVALS

Permitee is responsible for obtaining any necessary permits or approvals from any agency having jurisdiction. The director is acting for the County solely in its proprietary capacity and not in any governmental capacity unless so stated. This agreement does not constitute governmental approval for this use.

9. HOLD HARMLESS

Permitee shall defend, indemnify, save, and keep harmless County, its boards, officers, agents, and employees against all liabilities, judgments, costs, and expenses which may in any way accrue against County as a consequence of the granting of this agreement except claims or litigation arising throughout (and only to the extent of) the sole negligence or sole willful misconduct of the County, its officers or employees.

10. ASSIGNMENT, TRANSFER AND SUBLETTING

Permitee must not sublease or allow any other person or entity to occupy or use all or any part of the premises, without first obtaining the director's written consent. Requests under this section will not be unreasonably denied. The director will respond to requests within 30 days of receipt of any formal request. If the assignment results in the extension of the existing Permitee's lease, this will constitute a new agreement and any changes in requirements for commercial operators shall apply.

11. INSURANCE

Permitee agrees to, at no cost to the County, to obtain and maintain during the entire duration of this agreement, an appropriate insurance policy or policies as specified in the minimum standards.

12. GRANT ASSURANCE, NON-DISCRIMINATION AND COUNTY COVENANTS

Permitee shall comply with the following terms and conditions:

A. Permitee shall have the right to conduct aeronautical activities as provided for in their agreement and to provide those services to the public provided the Permitee agrees:

- (1) To furnish said services on a fair, equal and not unjustly discriminatory basis to all users, and
- (2) To charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that the Permitee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

B. The Permitee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration for this agreement agree 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 subjected to discrimination in the use of the facilities, and
- (2) that in the construction of any improvements on, over, or under the land and the furnishing of



services, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, and

- (3) that the Permittee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

C. The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure 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 Permittee 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. The Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

D. That, in the event of material breach of any of the preceding nondiscrimination covenants, the director shall have the right to terminate this agreement.

E. During the time of war or national emergency, the County shall have the right to lease the landing area or any part thereof to the United States Government for military use, and, if such lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

F. No right or privilege has been granted which would prevent any person, firm, or business entity operating aircraft on the Airport from performing any services on its own aircraft with its own regular employees (including, but not limited to, maintenance and repair) that it may choose to perform.

G. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right forbidden by Section 308(a) of the Federal Aviation Act of 1958 or for aeronautical activities such as, but not limited to:

- (1) Charter operations;
- (2) Pilot training;
- (3) Aircraft rental;
- (4) Aerial photography;
- (5) Crop dusting;
- (6) Sale of aviation petroleum products;
- (7) Air carrier operations;
- (8) Aircraft sales, and service incidental thereto;
- (9) Any other activity which, because of its direct relationship to the operation of aircraft, can be regarded as an aeronautical activity.

H. County reserves the right, but not the obligation, in a reasonable and nondiscriminatory manner, to further develop or improve the Airport as it sees fit, regardless of the desires or views of Permittee and without interference or hindrance.

I. The County shall have the right, but not the obligation, 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 Airport operations in this regard.

J. All hangars, buildings, properties, vehicles or land leased or operated by Permittee on the Airport, shall be maintained in a clean, attractive, weed-free, well-painted, junk-free condition. If a Permittee has an area where it normally keeps damaged aircraft, aircraft parts, construction fixtures, jigs, barrels, containers, aviation service vehicles, or other unattractive items, Permittee shall enclose such an area with a screen that will hide such area from public view.

K. The County reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions together with the right to prevent the erection of any building or other structure on or adjacent to the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

L. This agreement shall be subordinate to the provisions of any existing or future agreement between the County and the government of the United States, relative to the operation or maintenance of the Airport.

M. Incorporated into this agreement, by reference and as though set forth herein verbatim, are the Airport Zone Chapter 20.668 of the Douglas County Code and the Airport rules and regulations. Further, all parties agree to comply with any and all laws and regulations, including those of the FAA, and will not permit the premises covered by this agreement to be used for any unlawful or improper purpose.

13. TERMINATION AND REVOCATION

In the event that Permittee uses the property for any materially unauthorized purpose or performs any commercial activity on the Airport which is not permitted by this agreement or otherwise materially violates any of the terms of this agreement, Douglas County may terminate this agreement. Permittee shall be notified of any violation and shall have 45 days to cure or reach an agreement with the director to cure any violation. Violations which threaten the safety of Airport operations, patrons or tenants shall be cured immediately as possible upon notice. Failure to cure material violations shall result in the termination of this agreement. The director may suspend this agreement with no notice during exigent circumstances.

14. NOTICES

Any and all notices, requests, consents, approvals or communication that either party desires or is required to give to the other party under this agreement must be in writing and either served personally or sent by prepaid first-class mail and shall be effective from the date of service or mailing. Unless otherwise provided in writing by the parties, the address of the County and the proper party to receive any notices or communication is:

Minden-Tahoe Airport
c/o Operational Services Director
P.O. Box 218
Minden, NV 89423

and the address of the Permittee is:

Hutt Aviation, Inc.
P.O. Box 2950
Minden, NV 89423



15. WASTE AND HAZARDOUS SUBSTANCES

Permitee shall not commit, or suffer to commit, any waste upon the premises or any nuisance or other act or thing which may disturb the quite enjoyment of the use of the Airport or the surrounding property. Permitee shall not, and shall ensure that all employees and agents of the Permitee do not, store or dispose of any hazardous materials which are, or during the term of the Permitee become, regulated by any local government authority, by the State of Nevada, or by the United States government.

16. ENTIRE AGREEMENT

This instrument contains the entire agreement between the parties relating to the rights granted and the obligations assumed.

17. APPEAL

In the event a Tenant desires to appeal a decision made by the director in conjunction with this agreement, a written appeal shall be provided to the County Manager within 15 days of that decision. The County Manager will respond within 30 days, and failure to respond will constitute an approval of the appeal. Tenant may further appeal the decision to the Board of County Commissioners, and that appeal shall also be in writing and be provided to the Chair of the Board of County Commissioners within 15 days after County Manager's denial. The Board of County Commissioners decision on the appeal will be considered final. A fee will be required for an appeal to the Board of County Commissioners.

Douglas County:

Permitee:

Date: 9-20-05

Date: 09-15-05

By: *Daniel C. Holler*
Daniel C. Holler, County Manager

By: *Alan T. Sanguin*

CERTIFIED COPY

SEAL

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: September 22, 2005
B. ABB Clerk of the 304 Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By *Cheryl M. [Signature]* Deputy