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DOC # 0655757
09/23/2005 09:37 AM Deputy: BC

OFFICIAL RECORD

Requested By:

D C/AIRPORT

Assessor's Parcel Number: N/A

Date: SEPTEMBER 22, 2005

Recording Requested By:

Douglas County - NV
Werner Christen - Recorder

Page: 1 OF 43 Fee: 0.00
BK-0905 PG- 8671 RPTT: 0.00



✓ Name: JIM BRASWELL/MINDEN-TAHOE AIRPORT

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

LEASE #2005.190

(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.

FILED

2005.190

2005 SEP 22 AM 11:56

**ASSIGNMENT OF LEASE
LL035**

This assignment of lease is made this 15th day of September, 2005 between Douglas County, by the Douglas County Board of Commissioners (Landlord), whose address is Post Office Box 218, Minden, Nevada 89423, Hutt Aviation, Inc. (Assignor), whose address is Post Office Box 2950, Minden, Nevada 89423, and Alan Gangwish (Assignee), whose address is Post Office Box 2950, Minden, Nevada 89423.

RECITALS

This assignment is made with reference to the following facts and objectives:

1. Douglas County, as Landlord, and Hutt Aviation, Inc., as Tenant, entered into a written lease agreement (LL035) on September 4, 1986, in which Tenant leased premises on the Airport to operate as a full service fixed base operator. The lease is recorded as document 140369, book 986, pages 1000-1019.
2. On May 3, 1990, Tenant and Douglas County agreed to the first amendment to change the rent, fees, FBO site, fuel operations area and new fuel storage facility site rent. The first amendment is recorded as document 227926, book 690, pages 1458-1464.
3. On June 4, 1992, Tenant and Douglas County agreed to the second amendment to change the term of the lease to 25 years with two options: first option of 15 years, and second option of 10 years. This change was made when tenant leased 3.286 acres in additional land and moved its fuel storage to the County Fuel Farm. The second amendment is recorded as document 280895, book 692, pages 2310-2315.
4. Assignor desires to assign and Assignee desires to assume the rights, title, and interest to the lease (LL035) except for the sections related to the full service fixed base operator functions that



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are included in the commercial operator permit. The lease and amendments are attached as Exhibit A. The premises are described in Exhibits A and B to the lease, and as Exhibit A in the second amendment.

5. Douglas County will consent to the proposed assignment on the conditions listed in this assignment.

The parties agree as follows:

6. Effective date of assignment. The assignment in this agreement will take effect on October 1, 2005, and Assignor will give possession of the premises to Assignee on that date.

7. Premises. The assignment is for the property described in Exhibits A and B to the lease and as Exhibit A in the second amendment. The lease with the first and second amendments, are attached as Exhibit A and incorporated by this reference. There are two existing hangars and an office building on the property.

8. Assignment and assumption. Assignor assigns and transfers to Assignee all its rights, title, and interest in the lease, except for sections 5. "Use Purposes" and 6. "Additional Uses," and Assignee accepts the assignment and assumes and agrees to perform from the date the assignment becomes effective, as a direct obligation to Landlord, all provisions of the lease except for the sections related to operations of the full service fixed base operator which will be covered by a commercial operator's permit (Section 5, "Use Purposes," and section 6, "Additional Services" of the original Lease to be included in the Commercial Operator Agreement Full Service Fixed Base Operator Agreement).

9. Commercial Operator Agreement for Full Service Fixed Base Operator. Assignee agrees that section 5, "Use Purposes," and section 6, "Additional Services" of the original are replaced by the Commercial Operator Agreement for Full Service Fixed Base Operator.

10. Release. Landlord agrees to release Assignor from any obligation under this lease on assignment to Assignee.

11. Amendment of the existing lease. Assignee may execute a new lease for the assigned premises using the current airport standard land lease form. Assignee agrees that the rent for the new lease will be the then current rate for improved property on the airport.

12. Landlord's consent. Landlord consents to this assignment without waiver of the restriction concerning further assignment.

Dated this 15th day of September, 2005.

DOUGLAS COUNTY,
a political subdivision of the
State of Nevada

By: *Kelly Kite*
Kelly Kite, Chairman
Douglas County Commissioners

ASSIGNOR

By: *William O. Hutt*
William O. Hutt

ASSIGNEE

By: *Alan T. Gangwish*
Alan Gangwish, President

By: *Don F. Ahern*
Don F. Ahern, Sec-Treasurer

Attest:

By: *Barbara Reed*
Barbara Reed, Clerk

Date: 9-15-05

BY: *L. Lynch*
CLERK TO THE BOARD



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Approved as to Form:

By: Robert J. Morris

Robert Morris
Chief Deputy District Attorney

Recommended for approval
and approved as to content:

By: Jim Braswell

Jim Braswell
Operational Services Director

COOPER



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AIRPORT LEASE AGREEMENT

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HUTT AVIATION, INC.

THIS AGREEMENT, made and entered into this 4th day of September, 1986, by and between the COUNTY OF DOUGLAS, by and through the COUNTY BOARD OF COMMISSIONERS, FIRST PARTY, HEREINAFTER KNOWN AS LESSOR, and HUTT AVIATION, INC., (formerly VIKING AVIATION, INC.) SECOND PARTY, HEREINAFTER REFERRED TO AS LESSEE.

WITNESSETH:

WHEREAS, LESSOR is desirous of entering into a Lease Agreement with LESSEE of certain County owned real or personal property; and

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

WHEREAS, the LESSOR has published notice of intention to lease real and/or personal property hereinbelow 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 preceeding the date of the regularly scheduled meeting of the Douglas County Board of County Commissioners at which this lease was executed; and

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

WHEREAS, LESSOR deems it advantageous to itself and to

THIS DOCUMENT IS BEING RE-RECORDED TO CORRECT DISTANCE AS NOTED ON "EXHIBIT A".



EXHIBIT A

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its operations of the airport to lease to the LESSEE certain parcels of real property and personal property and improvements, described herein, together with certain privileges, rights, uses, and interest therein; and

WHEREAS, LESSEE is primarily engaged in general aviation activities, and proposes to lease the ground area improvements, and personal property described herein which the LESSOR deems advantageous to itself and to the efficient operation of the airport; and

WHEREAS, the LESSEE has indicated a willingness and ability to properly keep, maintain, and improve said grounds and improvements in accordance with standards established by LESSOR, attached hereto and incorporated 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 any Douglas County airport rules and regulations, and the minimum standards as established by LESSOR:

NOW, THEREFORE, IT IS AGREED, between the parties as follows:

1. Description 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 County owned real property situate in the County of Douglas on Douglas County Airport, more particularly described in Exhibits "A", "B", and "C" attached hereto and made part hereof.

2. Term

a. FBO site. 2.66 acres, more or less (Exhibit



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"A"). The term of this lease shall be for a period of twenty-five (25) years commencing on September 4, 1986 and terminating on October 31, 2011.

Option. The LESSEE shall have a first option to renew for a fifteen (15) year period upon expiration of the initial term. If the LESSEE exercises this first option, then the LESSEE shall have the option to renew a second time for a ten (10) year period. Rental upon the demised premises shall be renegotiated between the parties upon the exercise of each of the two options. The options herein are conditioned on LESSEE having performed all terms and conditions of this Agreement.

b. Fuel Operations. 1.33 acres, more or less (Exhibit "B"). The lease terms of this area shall be the same as the FBO site above. LESSOR shall at all times during the term of this lease, or options thereof, provide such suitable sites for fuel operations, however, LESSOR reserves the right to make modifications to the boundaries of the fuel operations area if there is a failure of the underground facility or any substantial portion thereof if the underground facility is condemned or otherwise becomes unuseable requiring substitution of an above ground facility. The parties may also modify the boundaries of the fuel operations area by mutual consent in writing.

c. Fuel Office. Terminal Building (Exhibit "C"). The term of the office lease shall be three (3) years. However, LESSEE may cancel anytime and move fuel office to its own facility. There is no rental fee for this office. Following the expiration of the three year term, the parties may enter into a lease agreement to extend the use of the fuel office for such



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additional term and upon such conditions that the parties find fair and equitable.

3. Rental and Fees

a. Land and Office

FBO site - \$261.36 per month per acre (or portion thereof) for first five years. Thereafter adjusted every five years according to the Consumer Index for all goods reported from the San Francisco statistical area but not less than base rent. The Consumer Price Index effective upon execution of this lease is 326.0 (March, 1986). Rent is payable in advance in monthly installments of \$695.22.

Fuel Operations Area - \$261.36 per month per acre (or portion thereof) for first five year term subject to modification as noted above. Payable in advance in monthly installments of \$347.61.

Fuel Office - Rental for the fuel office is included in the fuel facility rental fee.

b. Percentage of Gross Income - One percent (1%) of all gross income except:

1. Corporate aircraft management fees.
2. Aircraft sales
3. Aviation oil sales

c. Flowage Fee - Two and one half percent (2.5%) of selling price of all aviation fuel, including autogas, pumped into aircraft or equipment operated by anyone including LESSEE.

d. Fuel Facility Rental Fee - Six (6) cents per gallon of all aviation fuels sold or pumped into aircraft or equipment owned or operated by LESSEE for the first three years of.

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the fuel facility lease. The above specifically excludes autogas as LESSEE owns its dispensing equipment.

Monthly Report - The LESSEE shall provide a monthly revenue report to the LESSOR. The Monthly Report shall also contain the amount of fuel pumped and the retail price per gallon of each product pumped.

Payment - Within 15 days after the end of each month, the LESSEE shall pay LESSOR the agreed upon percentage of that month's gross revenue and the fuel flowage fees.

Annual Financial Statement - The annual reporting period ends on October 31. Within sixty (60) days after the end of each annual reporting period, LESSEE shall provide LESSOR with a final financial statement containing a compilation of all of the information required on the monthly revenue and fuel flowage reports. This financial statement shall have been compiled by a Certified Public Accountant. There shall be an annual adjustment by way of credit or supplemental payment to balance the books for the year based upon the annual financial statement. Payment or credit for adjustment for the year shall accompany the annual financial statement.

Audit - LESSOR shall have the right to have an audit by an independent certified public accountant of LESSEE performed at any time. The LESSOR shall bear the cost of the audit if there is less than 5% difference between the reported gross revenues and the gross revenues reflected in the audit. If the reported gross revenues differ from the gross revenues reflected in the audit by 5% or more, LESSEE shall pay for the audit. Or LESSOR may elect to perform the audit by its own auditors at no cost to LESSEE.



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4. Fuel Facility.

The LESSOR leases to LESSEE for three years, concurrent with this lease and commencing on the effective date of this lease the fuel facility consisting of the following:

a. Three underground 12,000 gallon fuel tanks, one of fiberglass and two of steel construction, along with all existing auxiliary equipment; such as pumps, cabinets, dispensers, filters, meters, fuel shack, hoses, etc. One bulk oil dispensing unit including but not limited to a trailer, pump, meter and allied equipment.

b. A gasoline dispensing truck, license number EX20191.

c. A Jet-A dispensing truck, license number EX21614.

All the above in working condition.

Prior to the effective date hereof, the LESSOR shall have the entire fuel facility completely inspected by the Douglas County Fire Marshall and any other governing Douglas County agencies and the LESSOR shall bring the fuel facility including rolling stock into compliance with all reasonable requests of the County.

LESSEE shall thereafter be responsible for the maintenance, calibration and compliance with existing or future codes of all equipment above ground, both vehicles and all electrical equipment including motors, wiring and pumps, necessary to operate the fuel facility. LESSOR is responsible for the maintenance of the underground storage tanks and underground plumbing and shall conform with all state and federal EPA regulations.



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After the third year, subject to good performance in serving the public, with regard to fueling activities, as determined by the LESSOR, LESSEE, at its option, may purchase all the above described facilities and equipment in one lot at fair market value based on a qualified independent appraisal. Within sixty (60) days or earlier of the expiration of this three (3) year term the LESSEE shall serve written notice upon the LESSOR of its intention to purchase. The notice of intention to purchase shall contain a fair market value offer of the purchase price. The notice shall be filed with the Clerk of the Board of Commissioners. The Clerk shall place the notice on the agenda for the next meeting at which it can be legally considered. If the Board rejects the offer, then the purchase price shall be determined by employment of a qualified independent appraiser agreed to by both parties with both parties sharing the cost of the appraisal. Once the purchase price has been arrived at pursuant to the terms hereof, the first three (3) years' rental fee will be applied toward the purchase price and the balance shall be due within thirty (30) days. If the LESSEE fails to pay the balance due, the LESSOR may revoke the option granted herein. If LESSEE opts to continue to rent the facility for any period of time beyond the above-mentioned three (3) year term, no rental fee, including the first three years having been paid, shall be applied toward any future purchase of the fuel facility and its rolling stock. Following the purchase, the obligations of LESSOR to maintain underground facility ceases.

5. Use Purposes

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 flight school operations.
5. Flight instruction.
6. Aircraft rental.
7. Complete ground school services for student pilots and refresher courses for 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 repairs.
 - 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 or uses.

6. Additional Services

a. Aeronautical Advisory Service - Utilizing the LESSOR-owned UNICOM transceiver and wind instruments located and to be maintained in the above described fuel office and the LESSEE-owned FAA approved altimeter instrument(s), LESSEE shall provide advisory service, including altimeter setting, as follows: from October 1 to April 30 from 0800 to 1700 hours local time. From May 1 to September 30 from 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 Services - 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 for LESSOR owned tiedowns which fees shall be distributed 50-50 between 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.

7. Construction

LESSEE, at his sole expense, shall construct, at the designated area within the demised premises, a building consisting of not less than ten thousand (10,000) square feet of hangar space with appropriate storage, maintenance and shop facilities and not less than two thousand five hundred (2,500) square feet of office space. All construction shall comply with Douglas County Building Codes. Said construction shall commence within three months of the effective date of this lease and shall be completed within one year of the effective date of this lease. Failure to perform as above will result in a forfeiture of the lease and the performance guarantee as provided in Section 10 below.

8. Disposition of Buildings and Improvements

Upon the expiration of this lease, or any extension thereof, all buildings and improvements exclusive of all tools and equipment and personal property located upon the demised premises shall become the property of LESSOR at no cost to LESSOR.



9. Utilities

LESSEE shall pay for all water, gas, heat, light, power, telephone services supplied to the leased premises, including the cost of installation and maintenance thereof, if any. LESSEE shall install and maintain a sewage holding tank until such time as LESSOR extends sewer service to the demised premises.

10. Performance Guarantee

Upon execution of the Lease Agreement, the LESSEE will be required to deposit with the County Treasurer a performance guarantee of TEN THOUSAND DOLLARS (\$10,000) (certified check, cashier's check, bank letter of credit payable to the County of Douglas, or pledge of other securities-or deposits acceptable to LESSOR). The performance guarantee shall be furnished to LESSOR prior to the execution of the Lease Agreement and is intended to guarantee performance of the provisions of paragraph 7 hereof. If the LESSEE provides a cash guarantee, the cash shall be deposited in an interest bearing account suitable to LESSEE and LESSOR and all interest accrued shall be paid to the LESSEE on a current basis. The performance guarantee above mentioned shall be released and remitted to the LESSEE upon issuance of certificate of occupancy.

11. Maintenance of Premises and Buildings

LESSEE shall at his sole cost and expense keep and maintain the leased premises and improvements thereon, 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



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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 of waste on the demised premises.

12. Compliance with Laws

LESSEE agrees that he will not use or permit said premises to be used for any unlawful purpose or for any purpose 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 it or be deemed necessary on account of the use by LESSEE of said premises, and LESSEE shall and does agree to pay at its sole cost and expense all fines,

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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.

13. Soaring Events

Conduct of organized soaring, glider events, or special events utilizing airport facilities or property and approved by the County shall not constitute a breach of any of the terms hereof.

14. Assignment

LESSEE shall not assign this lease or any interest therein, and shall not sublet 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 consent of LESSOR, which consent shall not be unreasonably withheld. 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. The 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.

15. 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.

16. Time

Time is of the essence of this Agreement.

17. 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.

18. 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.

19. Insurance

LESSEE shall during the term of this lease carry public liability, property damage and hangar keeper's liability insurance 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 during the initial term shall be not less than ONE MILLION DOLLARS (\$1,000,000), or less than the current recognized industry stan-

dards for similar facilities which the parties recognize may change due to changing economic conditions. LESSEE shall direct the property and casualty insurance carriers to provide for the County of Douglas as an additional insured or loss payee as applicable. The parties upon separate agreement may agree that LESSEE participate in any available County property or casualty insurance program but on upon agreement of both of the parties. 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 from any wrongful act or omission or negligence on the part of LESSEE, his officers, servants and employees. Other insurance of LESSOR shall not be required to participate with said insurance in the payment of any damages. Said insurance policy, policies or certificates evidencing issuance of the policies required herein shall be filed with the 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 lease 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



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thereof by the County Engineer.

20. 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.

21. 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 waiver 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 14 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



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deemed to include any damages or injuries to LESSOR, LESSOR'S property or any of LESSOR'S officers or employers.

22. 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 the same as other users on a first come, first serve basis.

23. 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 for 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 future 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.

24. 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 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 afore-



said covenant is breached, the LESSOR reserves the right to enter on the land leased hereunder and cause the abatement of such interference at the expense of the LESSEE.

Nothing in this Lease shall operate to limit LESSOR from entering into agreements for the lease, sale, transfer or use of the airport property, both real and personal, for any legal purpose, nor does it grant to LESSEE any exclusive right or privilege.

25. Waiver of LESSOR'S Rights

It is further agreed that failure on the part of 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.

26. Nondiscrimination

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, Nondiscrimination 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 its behalf, all as of the day and year first above written.

LESSOR: Board of County Commissioners
Douglas County, Nevada

By: Robert Pruett
ROBERT PRUETT, Chairman

ATTEST:

Yvonne Bernard
YVONNE BERNARD, Clerk

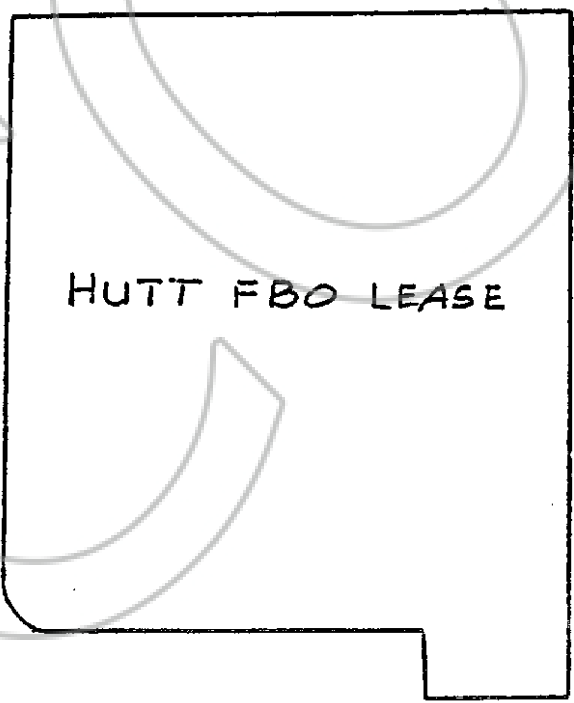
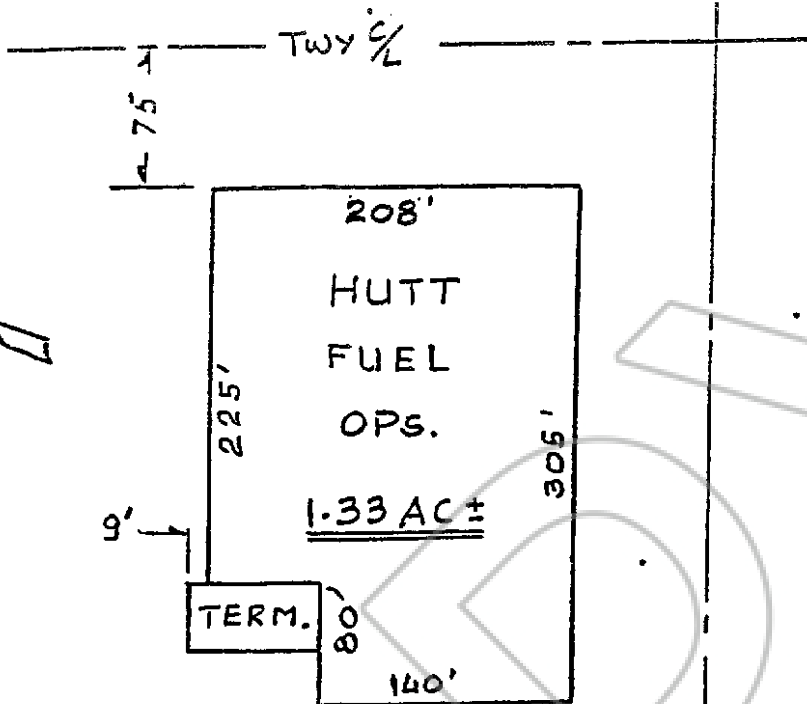
DATED 9-4-86

LESSEE:

By: William O. Zettl
President

By: _____

Dated _____



HUTT AVI.-FBO
FUEL OPS. AREA

"EXHIBIT B"

MAY 1986

164393

110639 BOOK 986 PAGE 1020

1987-1908



BK- 0905
PG- 8695

T/A APRON

FUEL OFFICE

TERMINAL BUILDING

PARKING LOT



HUTT AVI. - FBO

FUEL OFFICE

EXHIBIT C

MAY 1986

140639

BOOK 986 PAGE 1021

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: September 8, 1986
BY: [Signature] Deputy
of the State of Kansas, in and for the County of Douglas.

Deputy

SEAL





P.O. BOX 1616
GARDNERVILLE, NEVADA 89410
(702) 782-2271

IRREVOCABLE COMMERCIAL LETTER OF CREDIT

7/1/86

Standby Number: 2LC03NBC 86

BENEFICIARY:

Douglas County
Minden, NV

ADVISED THROUGH:

Nevada Banking Company
P.O. Box 1616
Gardnerville, NV 89410

Gentlemen:.

We hereby authorize you to draw your drafts on us at sight for the account of Viking Aviation, P.O. Box 1163, Minden, NV 89423.

Up to an aggregate amount of \$10,000.00.
TEN THOUSAND & 00/100

Drafts must be accompanied by the following documents:

Your signed statement certifying that "Viking Aviation, Inc. have amounts now due and unpaid".

The original Standby Letter of Credit.

Drafts must be drawn and presented to us not later than July 3, 1987.

Drafts drawn hereunder must specifically mention the number and date of this Letter of Credit. The amount of each draft must be endorsed on the reverse hereof.

ALL BANK CHARGES, EXCEPT OURS, ARE FOR THE ACCOUNT OF THE BENEFICIARY.

This Credit is subject to the Uniform Customs and Practices for Documentary Credits (1974 Revision), International Chamber of Commerce Publication No. 290.

We hereby engage with you that the drafts drawn under and in accordance with the terms of this credit shall be fully honored upon presentation.

Yours respectively,

Nevada Banking Company,

[Signature]
E.T. O'Gieblyn
Vice President/Manager

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

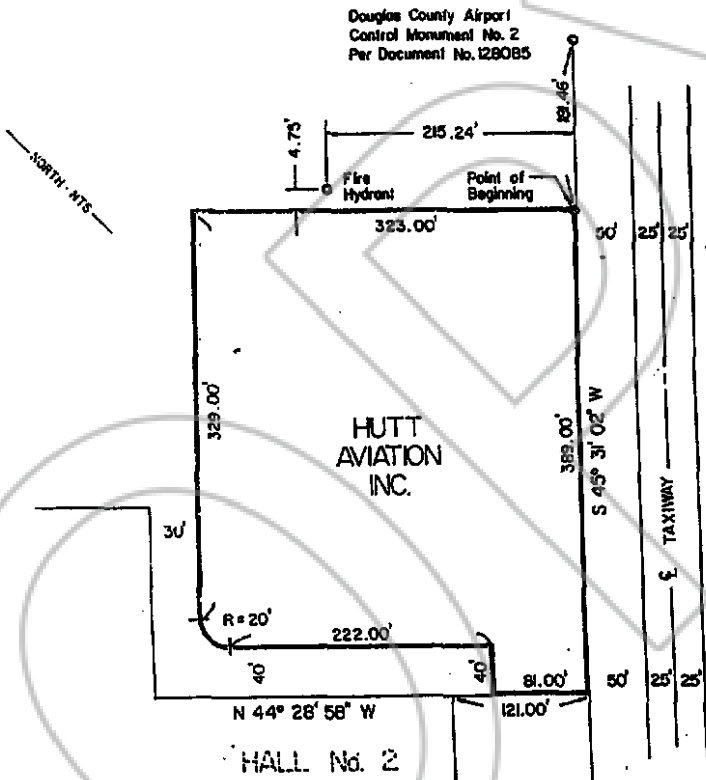
'86 SEP -9 10:40

SUZANNE B. LAUREAU
RECORDER
PAID *[Signature]* DEPUTY

BOOK 986 PAGE 1022

140639

DOUGLAS COUNTY AIRPORT
HUTT AVIATION INC., F.B.O.
MAY 1986



This parcel being in a portion of the SW 1/4 of Section 8, T13N, R20E, MDB&M, and more particularly described as follows:

Commencing at Airport Control Monument Number 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 181.16 feet to the TRUE POINT OF BEGINNING; thence continuing South 45°31'02" West, a distance of 389.00 feet; thence North 44°28'58" West, a distance of 81.00 feet; thence North 45°31'02" East, a distance of 40.00 feet; thence North 44°28'58" West, a distance of 222.00 feet; thence along a tangent curve to the right having a radius of 20.00 feet, through a central angle of 90 degrees, an arc length of 31.42 feet; thence North 45°31'02" East, a distance of 329.00 feet; thence South 44°28'58" East, a distance of 323.00 feet to the TRUE POINT OF BEGINNING.

Sold parcel containing 115,881.16 square feet (2.66 Acres) more or less.

* 181.46 feet

164393
BOOK 1087 PAGE 1907

140639
BOOK 966 PAGE 1019

EXHIBIT A



AMENDED

AIRPORT LEASE AGREEMENT

90 JUN 12 A8 26

This Amendment is made on May 3, 1990, between the County of Douglas, by the Douglas County Board of Commissioners (Lessor), whose address is Post Office Box 218, Minden, Nevada 89423 and Hutt Aviation, Inc., (Lessee), whose address is Post Office Box 1163, Minden, Nevada 89423, who agree as follows:

3. Rental and Fees

a. Land and Office

FBO site - Commencing September 4, 1986, \$261.36 per month per acre (or portion thereof) for first Five (5) years. Thereafter adjusted every five years according to the Consumer Index for all goods reported from the San Francisco statistical area but not less than base rent. The Consumer Price Index effective upon execution of this lease is 326.0 (March, 1986). Rent is payable in advance in monthly installments of \$695.22.

Fuel Operations Area - Commencing September 4, 1986, \$261.36 per month per acre (or portion thereof) for first Five (5) year term subject to modification as noted above. Payable in advance in monthly installments of \$347.61.

b. Percentage of Gross Income - One percent (1%) of all gross income except:

1. Corporate aircraft management fees.
2. Aircraft sales.
3. Aviation oil sales.

227926



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PG- 8699

c. Flowage Fee - Two and one half percent (2.5%) of selling price of all aviation fuel, including autogas, pumped into aircraft or equipment operated by anyone including Lessee.

d. Fuel Storage Facility Rental Fee - For use of Lessor's existing Fuel Storage Facilities Lessee shall pay \$0.01, (one cent) per gallon of all aviation fuels sold or pumped into aircraft or equipment operated by anyone including Lessee.

For use of Lessor's new Fuel Storage Facility parcel Lessee shall pay \$0.003, (3/10th of one cent), per gallon of all aviation fuels sold or pumped into aircraft or equipment owned or operated by anyone including Lessee, for the first Five (5) years. Thereafter adjusted up every Five (5) 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 statistical area.

Autogas is specifically excluded as Lessee owns its dispensing equipment.

The rent to run concurrent with all terms and options as exercised within the Lease Agreement in regards to time limitations, expiration and termination.

Monthly Report - The Lessee shall provide a monthly revenue report to the Lessor. The Monthly Report shall also contain the amount of fuel pumped and the retail price per gallon of each product pumped.

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Payment - Within 15 days after the end of each month, the Lessee shall pay Lessor the agreed upon percentage of the month's gross revenue and the fuel flowage fees.

Annual Financial Statement - The annual reporting period ends on October 31. Within sixty (60) days after the end of each annual reporting period, Lessee shall provide Lessor with a final financial statement containing a compilation of all of the information required on the monthly revenue and fuel flowage reports. This Financial Statement shall have been compiled by a Certified Public Accountant. There shall be an annual adjustment by way of credit or supplemental payment to balance the books for the year based upon the Annual Financial Statement.

Audit - Lessor shall have the right to have an audit by an independent Certified Public Accountant of Lessee performed at any time. The Lessor shall bear the cost of the audit if there is less than 5% difference between the reported gross revenues and the gross revenues reflected in the audit. If the reported gross revenues differ from the gross revenues reflected in the audit by 5% or more, Lessee shall pay for the audit. Lessor may elect to perform the audit by its own auditors at no cost to Lessee.

4. Fuel Storage Facility

Lessor rents to Lessee a space, sufficient in size for Lessee's fuel storage, upon Lessor's Fuel Storage Facility parcel. The space to conform to the configuration as detailed on the Airport Fuel Storage Facility Layout Plan now in the process of being drafted. Lessee will be provided sufficient



space to construct a Fuel Storage Facility to include two Fuel Storage Tanks of 24,000 gallons each or less, together with all of the pumps, machinery, safety devices, metering devices and appurtenances necessary to a fully functioning, safe, Aviation Fuel Storage Facility which complies with all applicable regulations. The site will additionally provide Lessee with an area large enough to allow for parking of three fuel service vehicles within the boundaries of a security fence. The site will allow for reasonable expansion by Lessee, if Lessee requires an area for an additional tank or more.

Lessee has selected the general site for it's tank farm from the drawing provided by Lessor and Lessee's general site is marked in green upon exhibit "A" attached hereto and incorporate herein by this reference.

Lessor to provide:

Reasonable access to Lessee and his employees to the Fuel Storage Facility, access for fuel delivery trucks, designated parking spaces upon the parcel for fueling vehicles and equipment, security fencing around the parcel and weed abatement to the parcel, except for rented spaces, and common area lighting.

Lessor will level an area on the parcel to provide for the access road and parking with a base appropriate to the tonnage of vehicles reasonably anticipated to use the parcel on a regular basis. All parking, common drive areas and

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road access will have gravel, decomposed granite or other such material designed for vehicle use.

Lessor will test the soils of the parcel for fuel contamination prior to Lessees' possession.

Lessee to provide:

All required structures, facilities, improvements, utilities, equipment, inspections, permits, containment areas and all other related items necessary to construct an Aviation Fuel Storage Facility. Lessee's Aviation Fuel Storage Facility to be completed and in operation within one (1) year from the commencement date of this Lease Agreement Amendment, (May 2, 1991). The failure to complete by date can be considered a default by Lessor. If Lessee has made a good faith effort to comply Lessor may extend completion date. Lessee shall be responsible for the maintenance, calibration, testing, monitoring and compliance with all existing or future codes of all equipment, tanks, vehicles, structures, improvements and all electrical equipment including motors, wiring, lights and pumps to operate Lessee's Fuel Storage Area.

Lessee shall also be responsible for all of his fuel spillage, leakage, pollution, contamination, hazardous waste material development to the parcel and/or environment as a result of Lessee's Fuel Storage Facility and will pay the cost for any and all corrections, cleanup, removal, repair, fines and other required remedies.



Lessee to pay for the cost of fuel contamination testing to the parcel and soils upon termination or expiration of the Lease Agreement.

Lessee shall remove at his cost, all Lessee constructed improvements on Lessor's Fuel Storage Facility parcel upon termination of the Lease Agreement and restore the premises to original condition. Title shall at all times remain in the Lessee, but the Lessor shall have the option on termination, or expiration, to take title in lieu of removal at no cost to Lessor.

227926



BK- 0905
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APPROVED AS TO FORM:

LANDLORD
BOARD OF COUNTY COMMISSIONERS
DOUGLAS COUNTY, NEVADA

Robert J. Marin

DISTRICT ATTORNEY

Michael E. Fischer

MICHAEL E. FISCHER, CHAIRMAN

APPROVED AND RECOMMENDED
AS TO CONTENTS

TENANT

David T. Briggs

AIRPORT MANAGER

William Hutt

WILLIAM HUTT
HUTT AVIATION, INC.

ATTEST:

Barbara J. Reed

BARBARA J. REED, Clerk

DATED: *June 11, 1990*

CERTIFIED COPY

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

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

SEAL

'90 JUN 12 A8:39

DATE: *June 12, 1990*
By *[Signature]*
of the State of Nevada

227926



92-043

2035 #2

AIRPORT REAL PROPERTY LEASE AGREEMENT AMENDMENT

This airport real property lease agreement amendment is made on June 4, 1992, between Douglas County, by the Douglas County Board of Commissioners, (Lessor), whose address is Post Office Box 218, Minden, Nevada, 89423, and Hutt Aviation, Inc., (Lessee), whose address is Post Office Box 1163, Minden, Nevada, 89423, who agree as follows:

1. DESCRIPTION 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 County owned real property situated in the County of Douglas on Douglas County Airport, more particularly described in the amended Exhibit "A" attached hereto and made part hereof.

2. TERM - The term of this lease shall be for a period of twenty five, (25), years commencing on September 4, 1986 and terminating on October 31, 2011.

Option The Lessee shall have a first option to renew for a fifteen (15), year period upon expiration of the initial term. If the Lessee exercises this first option, then the Lessee shall have the option to renew a second time for a ten (10), year period. Rental upon the demised premises shall be renegotiated between the parties upon the exercise of each of the two options. The options herein are conditioned on Lessee having performed all terms and conditions of this Agreement.

To exercise any options Lessee must submit written notice of such exercise of option to the airport manager. The written notice shall not be any sooner than one year prior to, or later than three months of, the termination date of the lease.

3. RENTAL AND FEES

A. Premises - Lessee shall pay to Lessor as minimum monthly base rent without deduction, setoff, prior notice or demand, One Thousand Six Hundred Twenty Seven dollars and Fourteen cents, (\$1,627.14). *9/23/05*

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PG- 8706

Commencing September 6, 1986, the rent is to be adjusted every five years according to the Consumer Price Index for all goods reported from the San Francisco statistical area but not less than base rent.

B. Percentage of Gross Income - One percent (1%) of all gross income except:

1. Corporate aircraft management fees.
2. Aircraft sales.
3. Aviation oil sales.

C. Flowage Fee - Two and one half percent (2.5%) of selling price of all aviation fuel, including autogas, pumped into aircraft or equipment operated by anyone including Lessee.

D. Fuel Storage Facility Rental Fee - For use of Lessor's Fuel Storage Facility parcel Lessee shall pay \$0.003, (3/10th of one cent), per gallon of all aviation fuels sold or pumped into aircraft or equipment owned or operated by anyone including Lessee, for the first Five (5) years. Thereafter adjusted up every Five (5) 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 statistical area.

Autogas is specifically excluded as Lessee owns its dispensing equipment.

The rent to run concurrent with all terms and options as exercised within the Lease Agreement in regards to time limitations, expiration and termination.

Monthly Report - The Lessee shall provide a monthly revenue report to the Lessor. The Monthly Report shall also contain the amount of fuel pumped and the retail price per gallon of each product pumped.

Payment - Within 15 days after the end of each month, the Lessee shall pay Lessor the agreed upon percentage of the month's gross revenue and the fuel flowage fees.

Annual Financial Statement - The annual reporting period ends on October 31. Within sixty (60) days after the end of each annual reporting period, Lessee shall provide Lessor with a final financial statement containing a compilation of all of the

280895

Second PAGE OF *five* PAGES?



information required on the monthly revenue and fuel flowage reports. This Financial Statement shall have been compiled by a Certified Public Accountant. There shall be an annual adjustment by way of credit or supplemental payment to balance the books for the year based upon the Annual Financial Statement.

Audit - Lessor shall have the right to have an audit by an independent Certified Public Accountant of Lessee performed at any time. The Lessor shall bear the cost of the audit if there is less than 5% difference between the reported gross revenues and the gross revenues reflected in the audit. If the reported gross revenues differ from the gross revenues reflected in the audit by 5% or more, Lessee shall pay for the audit. Lessor may elect to perform the audit by its own auditors at no cost to Lessee.

APPROVED AS TO FORM:

Robert J. Merin
DISTRICT ATTORNEY

LANDLORD
BOARD OF COUNTY COMMISSIONERS
DOUGLAS COUNTY, NEVADA
Michael E. Fischer
MICHAEL E. FISCHER, CHAIRMAN

APPROVED AND RECOMMENDED
AS TO CONTENTS

Al Dwight Briggs
AIRPORT MANAGER

TENANT
William Hutt
WILLIAM HUTT
HUTT AVIATION, INC.

ATTEST:

Barbara J. Reed by Wh
BARBARA J. REED, Clerk

DATED: June 12, 1992

AMENDED

Exhibit "A"
Douglas County Airport
Lease Parcel

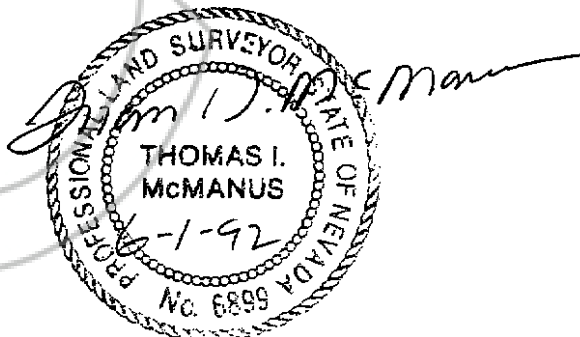
A parcel of land located within a portion of Section 8, Township 13 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing at Airport Control Monument No. 2 as shown on Amended Record of Survey No. 14 for Douglas County, recorded in Book 488 at Page 239 as Document Number 175533, Douglas County, Nevada, Recorder's Office; thence North 18 27' 53" West, 157.76 feet to THE POINT OF BEGINNING;

thence South 44 28' 58" East, 140.00 feet;
thence South 45 31' 02" West, 40.00 feet;
thence South 44 28' 58" East, 303.69 feet;
thence South 45 31' 02" West, 559.66 feet;
thence North 44 28' 58" West, 302.00 feet;
thence North 45 31' 02" East, 389.00 feet;
thence North 44 28' 58" West, 183.65 feet;
thence South 64 03' 37" East, 44.53 feet;
thence North 45 31' 02" East, 195.74 feet to THE POINT OF BEGINNING;

Excepting therefrom, a taxiway and easement described as follows:
Commencing at said Airport Control Monument No. 2;

thence North 18 27' 53" West, 157.76 feet;
thence South 44 28' 58" East, 140.00 feet;
thence South 45 31' 02" West, 40.00 feet;
thence South 44 28' 58" East, 76.69 feet to the centerline of a 50.00 foot wide taxiway, THE POINT OF BEGINNING;
thence continuing South 44 28' 58" East, 75.00 feet;
thence South 45 31' 02" West, 559.66 feet;
thence North 44 28' 58" West, 100.00 feet;
thence North 45 31' 02" East, 559.66 feet;
thence South 44 28' 58" East, 25.00 feet to THE POINT OF BEGINNING.



May 20, 1992
Revised June 1, 1992

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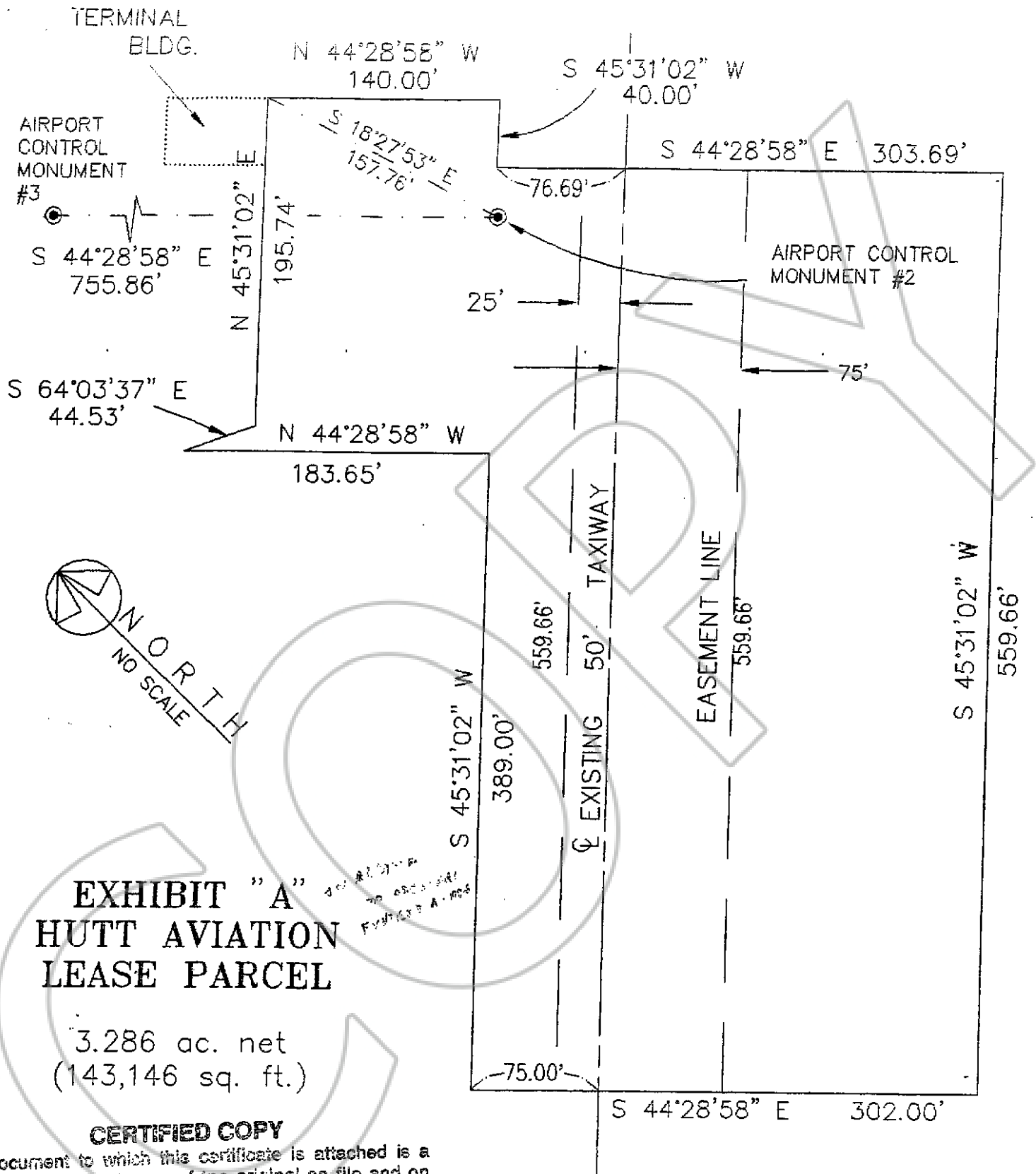


EXHIBIT "A"
HUTT AVIATION
LEASE PARCEL

3.286 ac. net
 (143,146 sq. ft.)

CERTIFIED COPY

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

DATE: June 12, 1992
 by Willene Harrington Deputy
 3. REED, Clerk of the District Court of the State of Nevada, in and for the County of Douglas.

fifth PAGE OF *five* PAGES

SEAL



DATE JUNE 4, 1992

2nd amend

Federal Requirements

92-047

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 in the event facilities are constructed, maintained, or otherwise operated on the property described in the lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant must maintain and operate such facilities and services in compliance with all other requirements imposed 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.

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) that the 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.

3. That in the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate the lease and to re-enter and repossess the premises and hold the premises as if the lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Tenant shall furnish its accommodations and services on a fair, equal and not unjustly discriminatory basis to all users (and it must charge fair, equal and no 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 type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach of this agreement and in the event of such non-compliance the Landlord shall have the right to terminate

First three PAGES



this lease agreement without liability or at the election of the Landlord or the United State 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. 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. The Tenant assures that it will require that its covered sub-organization provide assurance to the Tenant that they similarly will undertake affirmative action programs and that they will require assurance from their sub-organizations, as required by 14 CFR 152, Subpart E, to the same effort.

8. The Landlord reserves the right to further develop or improve the landing area of the 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. This is reserved to the Landlord, 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 surface of the leased 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 the Douglas County 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 above the mean sea level elevation 4778' feet. In the event this covenant is breached, the Landlord reserves the right to enter upon the

Second page three pages



BK- 0905
PG- 8712

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 Douglas County 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 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

F. Tenant assures complete compliance with the Douglas County Airport Rules and Regulations upon leased premises.

APPROVED AS TO FORM:

LANDLORD
BOARD OF COUNTY COMMISSIONERS
DOUGLAS COUNTY, NEVADA

Robert J. Mann
DISTRICT ATTORNEY

Michael E. Fischer
MICHAEL E. FISCHER, CHAIRMAN

APPROVED AND RECOMMENDED
AS TO CONTENTS

TENANT

Alan Douglas Briggs
AIRPORT MANAGER

William C. Hutt
HUTT AVIATION INC.

ATTEST:

Barbara J. Reed by W.H.
BARBARA J. REED, Clerk
by William Harrington, Deputy

DATED: June 18, 1992

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: June 19, 1992
B. Reed Clerk of the 9th Judicial District Court
of the State of Nevada, in and for the County of Douglas.
By William Harrington Deputy

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. REED Clerk of the 9th Judicial District Court
of the State of Nevada, in and for the County of Douglas.
By Carl J. Mullock Deputy

third PAGE OF three PAGES



BK- 0905
PG- 8713