

Assessor's Parcel Number: N/A

Date: DECEMBER 31, 2015

Recording Requested By:

Name: DOUG. RICHIE, DA'S OFFICE

& BOBBI THOMPSON, MINDEN-TAHOE AIRPORT  
Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Real Property Transfer Tax: \$ N/A



KAREN ELLISON, RECORDER

**SETTLEMENT AGREEMENT AND  
RELEASE OF ALL CLAIMS \$2015.263**

(Title of Document)

FILED

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2015 DEC 31 AM 9:58

**SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS**

This Settlement Agreement and Release of All Claims ("Settlement Agreement") is entered into as of the date of its execution by and among Douglas County (the "County"); Roberta Thompson ("Thompson"); ABS Aviation, Inc. ("ABS"); Tahoe Aviation, LLC ("Tahoe Aviation"); Thomas Muller ("Muller"), and Arnold Peterson ("Peterson"). Thompson, ABS, Tahoe Aviation Muller and Peterson are sometimes referred to herein collectively as the "Parties" and individually as a "Party." ABS and Thompson are collectively referred to as the "ABS Defendants."

DOUGLAS COUNTY  
CLERK  
The County DEPUTY

**I.  
RECITALS**

1. County is a political subdivision of the State of Nevada and the owner and operator of the Minden Tahoe Airport ("Airport").
2. The County has entered into a contract with ABS to manage and operate the daily activities at the Airport on behalf of County. Thompson is an employee of ABS and the designated Airport Manager for the Airport.
3. On August 1, 2013, the County and Tahoe Aviation entered into Hangar Development and Land Lease Agreement LL111 for the 40,939 square foot parcel of land located at the Minden Tahoe Airport, specifically known as 2323 P-51 Court (hereinafter referred to as the "Property").
4. Also on August 1, 2013, contemporaneously with the execution of the lease for the Property, a separate personal property sale agreement was entered between the County and Tahoe Aviation for the sale of a 24,440 square foot partially built hangar located at the Property for \$250,000 (the "Hangar").
5. Tahoe Aviation also executed a right of first refusal for a parcel of unimproved land consisting of 120,238 square feet adjacent to the Property.
6. On October 3, 2013, the County and Tahoe Aviation entered into the first amended Hangar Development and Land Lease Agreement LL111 for the 40,939 square foot parcel of land located at the Airport and entered into a new right of first refusal for a parcel of unimproved land consisting of 120,238 square feet.
7. On August 30, 2013, Peggy Cain, Jeffrey Cain, Cain Property Management, LLC, Skydance Helicopters of Northern Nevada, LLC, and Hutt Aviation, Inc. filed two separate writs of mandamus challenging the lease, personal property sale agreement and right of first refusal in Ninth Judicial District Court (Case Numbers 13-CV-0232 0232 and Case No. 13-CV-0234).
8. On May 20, 2014, Judge Nathan Tod Young entered an order in Case Number 13-CV-0232 (consolidated with Case No. 13-CV-0234) regarding the October 3, 2013, hangar development and land lease, right of first refusal, and personal property sale agreement. The court upheld and validated the October 3, 2013, Amended Hangar Development and Land Lease

Agreement LL111 and the right of first refusal between the County and Tahoe Aviation. However, the order voided the sale of the Hangar for \$250,000.

9. Tahoe Aviation voluntarily terminated its right of first refusal on December 22, 2014.

10. After various unsuccessful attempts to settle the matter and a dismissal of Tahoe Aviation's original complaint in the United States District Court for District of Nevada, Case Number 15-CV-00162, Tahoe Aviation filed a Civil Complaint in the Ninth Judicial District Court of the State of Nevada, in and for the County of Douglas, Case No. 15-CV-0136, against the County and the ABS Defendants on June 8, 2015 (the "June 2015 Litigation").

11. County and the ABS Defendants dispute that they have any liability to Tahoe Aviation, but all of the Parties recognize that it is in their individual interests to amicably resolve the dispute among the Parties and to avoid costly and protracted litigation. Therefore, the Parties have agreed it is in their best interest to avoid the expense, burden, and uncertainties of litigation concerning the above issues and resolve for all time all issues involving County and ABS Defendants which arise from or relate to the June 2015 Litigation.

12. The Parties have therefore agreed to the terms of this Settlement Agreement as a full and complete settlement of any claims by and among the Parties, including the pending litigation, as those claims may pertain to the County and ABS Defendants, as well as any other claims, known and unknown, which may arise during or pertain to the litigation related to County and ABS Defendants.

## **II. AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Effective Date of Settlement Agreement. This Settlement Agreement shall become effective upon its execution by all Parties.

2. Termination of Lease. Within ten (10) days of the receipt of the Settlement Payment, Tahoe Aviation will execute such documents as may reasonably be necessary to terminate Hangar Development and Land Lease Agreement LL111, as amended, and to otherwise terminate all interests Tahoe Aviation, Muller, and Peterson may have in the real property commonly known as 2323 P-51 Court, Minden, Nevada.

3. Dismissal of Claims against County. Within ten (10) business days of the receipt of the Settlement Payment, Tahoe Aviation will dismiss Douglas County and all other Douglas County defendants from the June 2015 Litigation with prejudice.

4. Dismissal of Claims against ABS Aviation Defendants. Within ten (10) business days of the receipt of the Settlement Payment, Tahoe Aviation will dismiss Thompson; ABS Aviation, Inc.; ABS Management Services, LLC; ABS Aviation Consultancy, Inc.; and all other

defendants from the June 2015 Litigation with prejudice.

5. Settlement Payment. County will pay to the order of Tahoe Aviation, LLC a check in the sum of One Million Six Hundred Thousand Dollars (\$1,600,000) within thirty (30) days of the effective date of this Settlement Agreement (the "Settlement Payment").

6. Mutual Release of All Claims

6.1 Tahoe Aviation Release. Tahoe Aviation, on behalf of itself and its current and former shareholders, members, officers, directors, principals, current and former agents, partners, members, employees, representatives, attorneys, predecessors, spouses, affiliates, subsidiaries, divisions, and successors and assigns, hereby releases the County and ABS Defendants, and their current and former elected officials, agents, principals, shareholders, officers, directors, commissioners, employees, representatives, attorneys, predecessors, affiliates, subsidiaries, and successors and assigns, of and from any and all claims, compensation of any sort, including but not limited to compensation for damages, lost profits, expenses, interest, and attorneys' fees and costs, or any other monies or claims for compensation, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether now known or unknown, which Tahoe Aviation now has or which may hereafter accrue on account of or in any way relating to or arising from the lease of the Property, the sale of the Hangar, or the claims asserted in June 2015 Litigation as of the effective date of this Settlement Agreement.

6.2 Muller and Peterson Release. Thomas Muller and Arnold Peterson, and each of them and their successors and assigns, hereby releases the County and the ABS Defendants, and their current and former elected officials, agents, principals, shareholders, officers, directors, commissioners, employees, representatives, attorneys, predecessors, affiliates, subsidiaries, and successors and assigns, of and from any and all claims, compensation of any sort, including but not limited to compensation for damages, lost profits, expenses, interest, and attorneys' fees and costs, or any other monies or claims for compensation, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether now known or unknown, which Tahoe Aviation now has or which may hereafter accrue on account of or in any way relating to or arising from the lease of the Property, the sale of the Hangar, or the claims asserted in the June 2015 Litigation as of the effective date of this Settlement Agreement.

6.3 The County Release. The County, on behalf of itself and its respective current and former elected officials, officers, directors, principals, agents, employees, representatives, attorneys, predecessors, and successors and assigns hereby releases Tahoe Aviation and its current and former agents, principals, officers, directors, employees, representatives, predecessors, affiliates, and successors and assigns of and from any and all claims, compensation of any sort including but not limited to compensation for damages, lost profits, expenses, interest, and attorneys' fees and costs, or any other monies or claims for compensation, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether now known or unknown, which the County now has or which may hereafter accrue on account of or in any way relating to or arising from the lease of the Property, the sale of the Hangar, or the claims asserted in the June 2015 Litigation.

6.4 ABS Defendants Release. ABS Defendants, on behalf of itself and its respective current and former officers, directors, principals, shareholders, current and former agents, partners, members, employees, representatives, attorneys, predecessors, spouses, affiliates, subsidiaries, divisions, and successors and assigns, hereby releases Tahoe Aviation, and its current and former agents, principals, officers, directors, employees, representatives, predecessors, affiliates, and successors and assigns from any and all claims, compensation of any sort including but not limited to compensation for damages, lost profits, expenses, interest, and attorneys' fees and costs, or any other monies or claims for compensation, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether now known or unknown, which the ABS Defendants now have or which may hereafter accrue on account of or in any way relating to or arising from the lease of the Property, the sale of the Hangar, or the claims asserted in the June 2015 Litigation.

7. Duty of Cooperation. The Parties shall cooperate with each other if any Party requires access to non-privileged documents or other written information, such as in connection with the future public auction of the Hangar or the lease of the Property.

8. Applicable Law, Venue and Jurisdiction. This Settlement Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of the State of Nevada. Any dispute or controversy arising out of or relating to this Settlement Agreement shall only be brought in the Ninth Judicial District Court, and each Party hereby submits to personal jurisdiction in such court.

9. Modifications and Amendments. This Settlement Agreement may be modified or amended only by a written agreement duly executed by all the Parties to this Settlement Agreement.

10. Integration. This Settlement Agreement constitutes the entire agreement of the Parties relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party with respect to the subject matter hereof, except as specifically set forth in this Settlement Agreement.

11. Severability. If any provision of this Settlement Agreement is found to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Settlement Agreement, such provisions shall be fully severable and this Settlement Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision never comprised a part of this Settlement Agreement and the remaining provisions of this Settlement Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by severance from this Settlement Agreement.

12. Acknowledgment. The Parties represent and warrant that all of the waivers and promises set forth in this Settlement Agreement are made after an opportunity to consult with legal counsel of their choosing, with an understanding of their significance and consequence, and that the terms are reasonable.

13. Time is of the Essence. The Parties expressly acknowledge and agree that time is of the essence.

14. Execution in Counterparts. This Settlement Agreement may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, and such counterparts together shall constitute but one and the same instrument and agreement, and this Settlement Agreement shall not be binding on any Party until all Parties have executed it.

15. Presumptions. This Settlement Agreement shall be construed without regard to any presumption or rule requiring that it be construed against the Party causing this Settlement Agreement or any part hereof to be drafted. The headings used in this Settlement Agreement are for convenience only and shall be disregarded in interpreting the substantive provisions of this Settlement Agreement.

16. No Admission of Liability. Nothing contained herein shall be construed as an admission by any Party of any liability of any kind, all such liability being expressly denied. This Settlement Agreement is the compromise of various disputed claims and fully and finally settles all claims between the Parties hereto related to or arising from the matters forming the basis of the claims under the June 2015 Litigation. Nothing contained in this Settlement Agreement, including, without limitation, the payment of any consideration hereunder or the waiver of any rights hereunder, shall be interpreted or construed to be an admission on the part of, or to the prejudice of, any person or Party named herein. Except for the obligations created by this Settlement Agreement, each Party or persons hereto expressly denies any and all liability associated with or related, whether directly or indirectly, to the subject claims under the June 2015 Litigation and all claims related therein.

17. No Assignment. The Parties, on behalf of themselves and their officers, directors, shareholders, representatives, agents and employees, warrant and represent that they have not assigned, transferred or hypothecated or purported to have assigned, transferred to or hypothecated and will not in the future assign, transfer or hypothecate to anyone any debt, claim for compensation or other claim, invoice, receivable, liability, demand, property, action, or cause of action, or any interest therein, based upon or arising out of or pertaining to or concerning or connected with any matter, facts, events, circumstances or things released herein, or with the June 2015 Litigation, or any portion therein.

18. No Intended Third Party Beneficiaries. Nothing contained in this Settlement Agreement is intended to convey any rights or to create a contractual relationship with any third party or to otherwise allow a third party to assert a cause of action against any Party.

19. Attorneys' Fees. Each Party shall be responsible for paying its own costs and expenses incurred in the litigation through the effective date and in the preparation of this Settlement Agreement, including any attorneys' and expert fees that have been incurred. However, in the event any litigation between the Parties is commenced based upon an alleged breach or default of their respective obligations pursuant to the terms of this Settlement Agreement, the prevailing Party shall be entitled to recover its attorneys' and expert fees and costs against any non-prevailing Party. The Parties mutually agree to waive any claim for

punitive damages in any such suit.

20. Notices. Except for any notices required under applicable law to be given in another manner, notices shall be made as follows:

**TAHOE AVIATION:**

c/o J.D. Sullivan, Esq.  
Sullivan Law  
1625 Highway 88, Suite 401  
Minden, NV 89423

c/o Daniel D. Barks, Esq.  
Law Offices of Daniel D. Barks, Esq.  
204 South Royal Street  
Alexandria, VA 22314

**ABS DEFENDANTS:**

Michael A. Hodges  
ABS Aviation, Inc.  
12950 Race Track Road, Suite 206  
Tampa, Florida 33626-1307

**DOUGLAS COUNTY:**

Douglas V. Ritchie, Esq.  
Zach Wadlé, Esq.  
P.O. Box 218  
Minden, NV 89423

All notices, requests, demands, directions, and other communications provided for in this Settlement Agreement must be in writing and must be mailed by Certified Mail (return receipt requested) or delivered in person to the appropriate Party at that Party's respective address set forth above; *provided, however*, that notice shall be deemed sufficient if actually received by the Party regardless of the mode of transmission or delivery.

21. Binding Effect. Once this Settlement Agreement becomes effective, it shall be binding upon and inure to the benefit of the successors, assigns, trustees, receivers, personal representatives, legatees, and devisees of the Parties.

22. Authorization. Each Party represents and warrants that it has full power and authority (including full corporate or other entity power and authority) to execute and deliver this Settlement Agreement and to perform its obligations thereunder. The County represents and warrants that its authority to enter into and execute this Settlement Agreement has been properly approved by the necessary governing board after conducting a duly-noticed public hearing.

IN WITNESS WHEREOF, the parties hereto execute this Agreement in duplicate original on the dates set forth below.

*Signature Block to Follow*

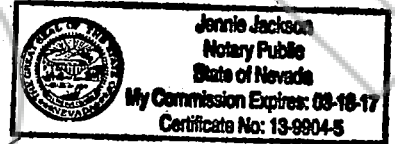
**Tahoe Aviation LLC**

DATED 12-14-2015

Arnold Peterson, Managing Member  
Individually and on behalf of and with authority to  
sign for Tahoe Aviation, LLC

STATE OF Nevada )  
 ) ss:  
COUNTY OF Douglas )

This instrument was acknowledged before me on the 14<sup>th</sup> day of December, 2015, by  
Arnold Peterson individually and as a Managing Member of Tahoe Aviation, LLC

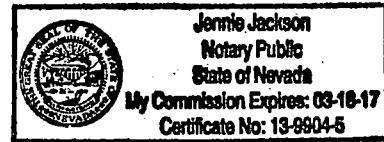
  
NOTARY PUBLIC

DATED 12/14/15

Thomas Muller, Managing Member  
Individually and on behalf of and with authority to  
sign for Tahoe Aviation, LLC

STATE OF Nevada )  
 ) ss:  
COUNTY OF Douglas )

This instrument was acknowledged before me on the 14<sup>th</sup> of December, 2015, by  
Thomas Muller individually and as a Managing Member of Tahoe Aviation, LLC

  
NOTARY PUBLIC

**Douglas County**

DATED: 12/17/15

Doug N. Johnson, Chairman  
Douglas County Board of County Commissioners

Attest  
  
Kathy Lewis, Douglas County Clerk

