



AMENDED AND RESTATED GROUND LEASE AGREEMENT

Boulder City Municipal Airport
Boulder City, NV

THIS AMENDED AND RESTATED GROUND LEASE AGREEMENT (Agreement No. 98-507H (TW3-45) this “**Agreement**”) is made as of May 28, 2024, by and between the City of Boulder City, a municipal corporation of the State of Nevada, as landlord, hereinafter referred to as the “**City**”, and Wallasch Family Trust UTA, as tenant, hereinafter referred to as “**Tenant**”.

RECITALS:

WHEREAS, the City owns and operates Boulder City Municipal Airport (the “**Airport**”);

WHEREAS, the City and Tenant are the parties to that certain Agreement No. 98-507G dated December 1, 1998, (together with any amendments that have been made thereto, the “**Current Agreement**”) providing for the lease by Tenant from the City of certain space at the Airport for an airplane hangar; and

WHEREAS, the City and Tenant have agreed to extend and otherwise amend and restate the Current Agreement as set forth herein.

NOW THEREFORE, for good and valuable consideration the parties hereto agree as follows:

1. **Purpose:**

This Agreement amends, restates, supersedes, and replaces all prior lease and other agreements between the City and Tenant with respect to the use and occupancy of the Leased Premises (as defined below), including, without limitation, the Current Agreement.

2. **Premises:**

The City hereby leases to the above-named Tenant, and the above-named Tenant hereby leases from the City, approximately 3,600 square feet of real property (the “**Leased Premises**”) located at the Airport, known as Hangar Space #3-45, and generally depicted in attached **Exhibit “A”**. As used herein, the “**Hangar**” means that airplane hangar that is currently located at the Leased Premises, as the same may be altered, improved or repaired from time to time, and which shall be deemed to be owned by Tenant for all purposes of this Agreement during the Term (as defined below).

3. **Rent:**

3.1 **Base Rent:**

The current monthly base rent (the “**Base Rent**”) is \$165.00 per month.

The current monthly Base Rent is calculated by multiplying the square footage of the Leased Premises set forth in Section 2 above by \$0.55 per square foot and then dividing the resulting amount by twelve (12).

3.2 CPI Adjustments:

On July 1, 2024, and on July 1 of each year thereafter during the Term (as hereinafter defined), including, without limitation, during any extension of the Term (each an “**Adjustment Date**”), the then current Base Rent shall be increased by a percentage equal to the percentage increase in the CPI-U over the twelve month period ending on the September 30th immediately preceding such Adjustment Date; provided, however, that in no event shall such increase for any Adjustment Date be less than two percent (2%), or more than six percent (6%), of the then current Base Rent. As used herein, “**CPI-U**” means the U.S. Department of Labor, Bureau of Labor Statistics, Consumers Price Index for all Urban Consumers, All Cities Average, Subgroup “all items” (base reference period 1982-84=100); provided, however, that if the U.S. Department of Labor, Bureau of Labor Statistics, ceases to publish a CPI-U during the Term, then such other index or standard as will most nearly accomplish the aim and purpose of said CPI-U and the use thereof by the parties hereto shall be selected by the City in its reasonable discretion.

3.3 Additional Rent:

All references to “**Rent**” herein mean the Base Rent and all other monetary obligations of Tenant hereunder. Notwithstanding any other term or condition of this Agreement to the contrary, it is the intent and agreement of the City and Tenant that the Rent payable under this Section 3 shall be on an absolute triple net basis, it being understood and agreed that during the entire Term, in addition to the Base Rent payable under this Section 3, Tenant shall also pay all expenses whatsoever relating to the Leased Premises or the Hangar, including, without limitation, all real and personal property taxes and assessments, insurance premiums, costs of repair and maintenance of the Leased Premises or the Hangar, the costs of all utilities and services of any type provided to the Leased Premises or the Hangar, and all monies required to be expended on or in relation with the Leased Premises or the Hangar or Tenant’s operations in connection with any applicable Law (as defined below). All such additional amounts (and all other monetary obligations of Tenant under this Agreement) shall constitute additional Rent under this Agreement.

3.4 Manner of Payment:

All Base Rent owing under the terms of this Agreement shall be paid in advance on or before the first (1st) day of every calendar month, and all other Rent (including, without limitation, fees) due or owing under the terms of this Agreement shall be paid on or before the due date thereof (or such earlier time as may elsewhere be provided herein). Rent shall be paid without demand or notice and without set-off or deduction. Rent for any partial calendar month during the Term shall be prorated based on the actual number of days in such month. All Rent (including, without limitation, fees) that Tenant is required to pay to the City hereunder shall be paid in lawful currency of the United States of America at the address set forth in Section 33 or such other place as the City may, from time to time, designate in writing.

3.5 Late Charges:

If Tenant fails to pay any Rent (including, without limitation, any fees) that Tenant is required to pay to the City hereunder within five (5) days following the due date thereof, then

Tenant shall pay to the City upon demand a late charge equal to the greater of (i) five percent (5%) of the amount due, or (ii) one percent (1%) of the amount due per month from the due date thereof until paid.

4. **Term:**

4.1 Current Term:

The end of the current term of this Agreement is hereby extended to November 30, 2038, unless terminated earlier as herein provided (as the same may be extended under Section 4.2, the "**Term**"). In consideration thereof, concurrent with the mutual execution and delivery of this Agreement, Tenant shall pay the City an extension fee of \$0.00, which extension fee shall be in addition to, and not in lieu of, any Base Rent or other Rent (including, without limitation, any fees) due hereunder.

4.2 Extension Option:

Tenant is hereby granted an option to extend the Term one (1) time by ten (10) years. Such option shall be effectively exercised only if (i) Tenant notifies the City, in writing, of Tenant's election to exercise such option no more than one (1) year, or less than six (6) months, prior to the commencement of the extension period, and (ii) there is no uncured Event of Default (as defined below) at the time of such notice.

4.3 Holding Over:

If Tenant holds possession of the Leased Premises after the expiration or earlier termination of this Agreement, then the City may, in its sole discretion, treat such possession as an unauthorized holdover and as a month-to-month tenancy, upon the same terms and conditions as are set forth in this Agreement, except for the term and except that the Base Rent shall be one hundred twenty-five percent (125%) of the Base Rent immediately prior to such termination.

5. **Use of Leased Premises:**

Tenant shall not conduct any Commercial or revenue-producing activities in or about the Leased Premises.

Tenant may utilize the Leased Premises for the location of the Hangar and the storage in the Hangar of **operational** aircraft owned by Tenant (which for purposes of this **Section 5** shall include any other lawful occupant of the Leased Premises permitted hereunder), and for no other purpose other than reasonable minimal storage. Preventive maintenance, as outlined in FAR Part 43 Appendix A (c), incorporated by reference, or repairs may be accomplished by Tenant or Tenant's licensed and bonded contractor on the aircraft in the hangar. As used in this Agreement, "repair" means repairs conducted with adequate Group III fire protection in accordance with National Fire Protection Standard 409, Standard on Aircraft Hangars, Section 8.8 Fire Protection for Group III Hangars such as those that do not involve the use of hazardous operations including, without limitation, fuel transfer, welding, torch cutting, torch soldering, doping, and spray painting, unless proper fire protection is installed.

Except as otherwise expressly provided herein for construction, aircraft stored in the Hangar must be operational throughout the Term, except for occasional periods for normal maintenance

and repair or noncommercial construction of amateur-build or kit-built aircraft. The determination of whether an aircraft is operational shall be confirmed by documentation of an annual or condition inspection per FAA 14 CFR 91.409. The City may inspect the Leased Premises and the Hangar at any time to verify this requirement is being met.

If Tenant sells the aircraft with the intent of purchasing another aircraft or to engage in the noncommercial construction of amateur-built or kit-built aircraft, Tenant may, with prior written notice to the City, continue to rent the Leased Premises for up to one (1) calendar year from the date of the sale. If Tenant has not purchased or began building an aircraft within such time, this Agreement may be subject to termination. Furthermore, during this period, Tenant shall not use the Leased Premises or the Hangar for any purpose other than the aforementioned aeronautical uses.

Tenant may store land vehicles on temporary basis while actively flying Tenant-owned aircraft to and from other destinations, which includes overnight stays and any other time spent at those destinations. Tenant may park vehicles outside of the Hangar in accordance with Airport Rules and Minimum Standards. Parking while actively flying is allowed only inside the Hangar. No repairs of vehicles are allowed on the Leased Premises or in the Hangar.

Storage of items other than Tenant-owned aircraft shall comply with 14 CFR Chapter 1 [Docket No. FAA 2014-0463] (Policy on the Non-Aeronautical Use of Airport Hangars), and all other applicable current and future federal, state, and local regulations and policies. Long-term storage of non-aeronautical items that occupy over twenty-five percent (25%) of the Leased Premises is prohibited and is considered an Event of Default of this Agreement.

6. Hazardous Materials

Tenant will not, nor will Tenant allow any third party to, use, generate, store or dispose of any hazardous material, as defined by any Law, on the Leased Premises or in the Hangar, except that fuel may be stored in the Hangar, provided it is kept in approved non-metallic safety containers of not more than 5-gallon capacity having a spring-closing lid and spout cover (four cans maximum). Fuel may also be stored within the normal portions of any aircraft or vehicle placed in the Hangar in accordance with this Agreement.

Tenant shall not commit, or suffer to be committed, at the Leased Premises or the Hangar any public or private nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant or occupant at the Airport.

7. Aircraft:

The Tenant, or another lawful occupant of the Leased Premises permitted hereunder, must provide a copy of the registration and an airworthiness certificate issued by the Federal Aviation Administration (the “**FAA**”) for the aircraft, and the aircraft information as set forth in **Exhibit “B”**, stored in the hangar at the time of Agreement execution, and any time the aircraft is replaced. Alternatively, Tenant may provide the aircraft’s N number so that the City can readily verify proper registration online. The aircraft must be in operable condition.

8. Signage and Advertising:

Tenant shall not install or operate any signage on the Leased Premises or at the Airport except with

the prior written approval of the City (which may be given or withheld in the City's sole and absolute discretion). Any approved signage shall be at Tenant's expense and shall comply with all applicable Laws and any Airport signage policies of the City. Tenant shall not advertise or permit others to advertise at the Leased Premises or the Airport by any means, whether or not such advertising is for profit.

9. Utilities and Services:

Tenant shall be solely responsible for, and shall promptly and timely pay, all costs (including, without limitation, connection and service charges) of all electricity, water, and other utilities and services consumed or used at the Leased Premises or the Hangar directly to the utility or service provider. If any of such utility or service is not separately metered or provided for the Hangar, and is instead shared with any tenants or other users of any other hangars at the Airport, then Tenant shall agree upon the following (collectively, the "**Shared Utility Matters**") with such other persons: (i) how the costs for such utility or service will be allocated among the Hangar and such other hangars, (ii) how such costs will be paid, (iii) how any lines, pipes, meters and other facilities related to the provision of such utility or service will be maintained, improved, repaired and replaced, and (iv) a reasonably available single representative of Tenant and such other persons who shall have the express authority to bind Tenant and such other persons with respect to all agreements and other matters with the City related to such utility or service (each a "**Shared Utility Representative**"). Tenant shall at all times during the Term keep the City advised in writing of the names of and contact information for all then current Shared Utility Representatives, if any.

Notwithstanding anything to the contrary, the City shall not be liable to Tenant in damages or otherwise if any one or more of the utilities or services consumed or used at the Leased Premises or the Hangar is interrupted or terminated because of (i) any necessary maintenance or repairs, (ii) the failure or inability of any provider of any such utility or service to provide such utility or service to the Leased Premises or the Hangar, (iii) any disagreement of Tenant with any other person with respect to any Shared Utility Matter, (iv) any breach by any person of any agreement with respect to any Shared Utility Matter, including, without limitation, any failure by any person to pay such person's share of the costs of any shared utility or service, or (v) any other cause other than the City's gross negligence or willful misconduct. No such interruption or termination of utilities or services shall relieve Tenant from any of its obligations under this Agreement.

10. Taxes:

If at any time during which this Agreement is in effect, the Leased Premises, the leasehold interest of Tenant hereunder, the Hangar or the Rent payments hereunder become subject to any federal, state or local property (real or personal), sales, rent, or other taxes or assessments, then Tenant shall pay such taxes and assessments before delinquency. Tenant shall also pay before delinquency all taxes, fees and other governmental charges on Tenant's aircraft and other personal property at the Leased Premises or the Hangar.

11. Condition of Leased Premises:

Tenant acknowledges and agrees that (i) Tenant is currently in possession of and knows the condition of the Leased Premises and the Hangar, (ii) Tenant has accepted the same "as is" and

“with all faults”, (iii) the City hereby disclaims, and Tenant accepts such disclaimer of, any representation or warranty, express or implied regarding the condition, use, or fitness for use of the Leased Premises or the Hangar, and (iv) the City shall not be required to perform any tenant or other improvements with respect thereto.

12. Alterations and Improvements:

Title to the Hangar and any other improvements now or hereafter constructed, installed or attached on or to the Leased Premises by or on behalf of Tenant (collectively, “**Tenant Improvements**”) shall rest in Tenant during the Term; and upon the expiration or sooner termination of the Term, such title shall be held as set forth in Section 25.

Tenant shall not make any of the following additional alterations, replacements or other improvements to, on or in the Leased Premises (including, without limitation, to the interior or exterior of the Hangar), without first obtaining the City’s (in its capacity as landlord) prior written approval which shall not be unreasonably conditioned, withheld, or delayed: (i) any alteration, replacement or other improvement that requires a building permit, or is subject to any building code, under any applicable Law, (ii) any change in the external appearance of the Leased Premises or the Hangar (including, without limitation, the color thereof), (iii) any change to or affecting the structure of the Hangar or any other improvement on the Leased Premises, or (iv) any change to or affecting any electrical, water, life safety, or any other utility or mechanical system of the Leased Premises, the Hangar or any other improvement on the Leased Premises. No consent of the City to any alteration, replacement or other improvement shall create any responsibility or liability on the part of the City for its design, sufficiency or compliance with any Laws.

Without limiting the foregoing, all alterations, replacements or other improvements to, in or on the Leased Premises made by Tenant shall be made promptly, in a good and workmanlike manner, in compliance with all local, state and federal code and other Laws, and at such times and in such manners as the City may reasonably designate to minimize any interference with the operation of the Airport or with any other tenant or occupant of the Airport.

13. Maintenance and Repair:

Tenant shall be solely responsible for the maintenance and repair of the Leased Premises, the Hangar, all other Tenant Improvements (including, without limitation, all facilities related to the provision of any utility or service to the Leased Premises or the Hangar and all exterior lighting fixtures on the Leased Premises), and the “**Hangar Ramp**” which, as used herein, means the concrete apron and other areas immediately adjacent to the Hangar but does not include the thirty-five (35) foot wide taxilane. Tenant shall not allow water to run-off onto the Hangar Ramp or into the taxilane. Without limiting the foregoing, (i) Tenant’s use and occupancy of the Leased Premises and the Hangar shall be without cost or expense to the City, (ii) Tenant shall at all times keep and maintain the Leased Premises, the Hangar, all other Tenant Improvements and the Hangar Ramp in good condition and repair and otherwise in a safe, clean, orderly, and inviting condition, and free of any debris, weeds or waste materials, and (iii) Tenant shall at all times keep the adjacent apron, taxiway or pavement and the Hangar door free of any and all obstructions or interferences to adjacent hangars. In addition, Tenant shall repair or replace, at its sole expense, any damage to any other portion of the Airport, caused by Tenant.

Without limiting the foregoing, Tenant shall promptly and diligently repair all damage to or

destruction of all or any part of the Leased Premises, the Hangar and all other Tenant Improvements caused by any fire or other casualty. No deprivation, impairment or limitation of any use of the Leased Premises or the Hangar resulting from any such fire or other casualty shall entitle Tenant to any abatement, diminution or reduction of any Base Rent or other Rent, nor to any termination or extension of the Term.

Without limiting the foregoing provisions of this Section 13, if the Hangar shares any walls, roofs or other structural elements with any other hangars at the Airport, then Tenant shall agree upon the following (collectively, the “**Shared Maintenance Matters**”) with the tenants or other users of such other hangars: (i) how such walls, roofs or other structural elements will be maintained, improved, repaired and replaced, (ii) how the costs of such maintenance, improvements, repairs and replacements will be allocated among the Hangar and such other hangars, and (iii) how such costs will be paid. In addition, if the Hangar shares any sprinkler, fire alarm or other life-safety systems with any other hangars at the Airport, then Tenant shall agree upon the following (collectively, the “**Shared Life Safety Matters**”) with the tenants or other users of such other hangars: (i) how such sprinkler, fire alarm or other life-safety systems will be maintained, improved, repaired and replaced (with such maintenance including, without limitation, all annual and other inspections required by applicable Law), (ii) how the costs of such maintenance, improvements, repairs and replacements will be allocated among the Hangar and such other hangars, (iii) how such costs will be paid, and (iv) a reasonably available single representative of Tenant and such other persons who shall have the express authority to bind Tenant and such other persons with respect to all agreements and other matters with the City related to such sprinkler, fire alarm or other life-safety systems (a “**Shared Life-Safety Representative**”). Tenant shall at all times during the Term keep the City advised in writing of the name of and contact information for the then current Shared Life-Safety Representative, if any. In connection with Shared Life-Safety Matters, Tenant, in conjunction with other tenants, may designate the City as its Shared Life-Safety Representative, provided that Tenant pays the reasonable monthly fee charged by the City for such service in accordance with the published fee scheduled from time to time adopted by the City.

Notwithstanding anything to the contrary, the City shall not be liable to Tenant in damages or otherwise for or with respect to (i) any interference or interruption with Tenant’s use of the Leased Premises or the Hangar due to any necessary maintenance or repairs, (ii) any disagreement of Tenant with any other person with respect to any Shared Maintenance Matter or Shared Life-Safety Matter, or (iii) any breach by any person of any agreement with respect to any Shared Maintenance Matter or Shared Life-Safety Matter, including, without limitation, any failure by any person to pay such person’s share of any agreed upon shared costs. In addition, none of the foregoing matters shall relieve Tenant from any of its obligations under this Agreement.

If Tenant fails to perform any obligation of Tenant under this Section 13, and Tenant either (i) does not commence to cure such failure within thirty (30) days after receipt of written notice thereof from the City, or (ii) does not thereafter diligently prosecute such cure to completion, then the City, without waiving such default and in addition to any other rights or remedies that the City may have hereunder, may enter the Leased Premises and the Hangar and perform such obligation, or cause such obligation to be performed, for the account of Tenant; and Tenant shall upon demand pay to the City the cost of performing such obligation plus fifteen percent (15%) thereof as administrative costs.

14. Condemnation:

In the event of any condemnation proceeding in which all or any part of the Leased Premises is taken (by a condemnor other than the City), all compensation from such proceeding shall be paid to the City, except that Tenant may pursue a claim against the condemnor for the value of the Tenant Improvements and Tenant's leasehold interest and any subtenants may pursue a claim against the condemnor for the value of their subtenancy interests. In the event of a partial taking, the City shall reduce the Base Rent payable by Tenant on a pro rata basis for portions of the Leased Premises so taken. If the City or Tenant determines in its reasonable discretion that all or a material portion of the Leased Premises will be (or has been) rendered untenable as a result of such taking, the City or Tenant may terminate this Agreement by giving written notice of termination to the other party, and this Agreement shall terminate at the time specified in the notice (which shall not be less than thirty (30) days after the date of such notice).

15. Laws, Ordinances, etc.:

The parties shall observe and obey all laws, ordinances, regulations, rules, and policies of the federal, state, county, and municipal governments (collectively, "**Laws**"), which may be applicable to the Leased Premises or the Hangar or operations at the Airport. Without limiting the foregoing, Tenant, at its sole cost and expense, shall comply with, and cause the Leased Premises, the Hangar and all other Tenant Improvements to comply with, all Laws which shall impose any duty upon Tenant or the City with respect to the improvement, use, occupation, maintenance, repair or alteration of the Leased Premises or the Hangar by Tenant. Tenant's obligations under this Section 15 shall include, without limitation, the obligation to make any capital improvements necessary to bring the Leased Premises, the Hangar or any other Tenant Improvements into compliance with any applicable Law.

The City shall not be liable to Tenant for any diminution or deprivation of Tenant's rights under this Agreement which may result from Tenant's obligation to comply with any and all applicable Laws, nor shall Tenant be entitled to any abatement, diminution or reduction of any Base Rent or other Rent, nor to any termination or extension of the Term, by reason thereof.

16. Airport Rules, Standards, Regulations, and Policies:

During the Term, the City shall have the right to adopt and enforce rules, standards, regulations, and policies, which may be amended from time to time, with respect to the use of the Airport and related facilities (including, without limitation, the Leased Premises and the Hangar) which Tenant agrees to observe and obey, including but not limited to:

- All hot work (other than heat guns) is prohibited on the Leased Premises or in the Hangar. This includes, but is not limited to, welding, brazing, grinding, cutting, and soldering.
- Spray painting or use of other hazardous chemicals is prohibited.
- Storage or use of flammable and/or volatile liquids/materials such as paint, dope, or aircraft parts/cleaning fluids on the Leased Premises or in or about the Hangar is prohibited, except aircraft engine oil and typical spray cleaners may be stored in the Hangar.
- Preventive maintenance, as outlined in FAR Part 43 Appendix A (c), incorporated by reference, or repairs may be accomplished on Tenant's aircraft in the Hangar. All other types of repairing, overhauling, or maintenance on land vehicles or boats, etc., are prohibited.

- No heaters (e.g. space heaters) shall be left unattended on the Leased Premises or within the Hangar.
- Aircraft engines shall not be operated inside the Hangar.
- Hangar doors shall remain closed at all times when not in use.
- Tenant shall provide one fire extinguisher compliant with the most current fire code adopted by the City with annual inspection tag and must install the fire extinguisher near the Hangar exit.
- Tenant shall provide and utilize a drip pan under the aircraft.

17. City's Rights:

17.1 Operation of Airport:

Except as specifically limited by the provisions of this Agreement, the City retains all power and authority to direct, manage and control the operations of the Airport, including, but not limited to, determining its organization; directing the work of its employees; determining the times and hours of operations; determining the kinds, levels and methods of services to be provided; establishing its goals and objectives; building, moving and modifying structures; and taking action on any matter, including suspending any provision or provisions of this Agreement, during an emergency caused by an act of God or interference by a third party beyond the control of the City. The determination of whether an emergency exists is solely within the discretion of the City.

17.2 Right to Amend Agreement:

Notwithstanding anything to the contrary, the City reserves and shall have the right to amend any terms of this Agreement, including, without limitation, the Base Rent or the Term, if the FAA issues a letter, administrative finding, order or any other formal documentation stating that one or more of the terms of the Agreement is a materially contributing factor to the City's (in its role as Airport Sponsor) noncompliance with applicable FAA grant assurances. The City agrees to provide Tenant thirty (30) days' notice of any amendments to this Agreement necessary to bring the City into compliance with any applicable FAA grant assurances, as determined by the City in its sole discretion. If Tenant fails to execute any such amendment within thirty (30) days after the date of such notice, then the City may terminate this Agreement by written notice to Tenant given at any time thereafter and without paying any termination fee or other consideration to Tenant.

17.3 Right to Relocate:

The City shall have a right to relocate the Leased Premises within the Airport provided that the square footage of the premises to which the Leased Premises is relocated shall not be materially less than the square footage of the original Leased Premises. The City shall notify Tenant of such relocation not less than one hundred eighty (180) days prior to the date thereof. The City shall reconstruct on the relocated Leased Premises improvements substantially similar in quality, style and design to the Hangar and any other Tenant Improvements; provided, however, that to the extent feasible, the City may instead move the Hangar and/or any other Tenant Improvements to the relocated Leased Premises. In addition, the City shall pay or reimburse Tenant for any reasonable, third-party, out-of-pocket costs and expenses incurred by Tenant to

move any personal property of Tenant from the original Leased Premises to the relocated Leased Premises. Within sixty (60) days after the City has notified Tenant that the City has completed the improvements to be constructed on and/or moved to the relocated Leased Premises by the City, Tenant shall surrender the original Leased Premises, and shall move to the relocated Leased Premises. Tenant agrees that promptly, on demand, it shall execute an amendment to Exhibit "A" designating the location of the relocated Leases Premises.

17.4 Airport Maintenance, Repair, Development and Expansion:

The City reserves the right to further develop or improve the landing area or any other area, building or other improvement within the present or future boundaries of the Airport as it sees fit in its sole judgement regardless of the desires or view of Tenant and without interference or hindrance by Tennant. Further, the City retains the absolute right to maintain, repair, develop and expand the Airport facility, Airport improvement or Airport property free from any and all liability to Tenant for any loss of business or damage of any nature whatsoever as may be occasioned during or because of the performance of such maintenance repair, development or expansion, except to the extent caused by the negligence or intentional misconduct of the City.

In connection with the exercise of its rights under this Section 17.4, the City has the right to recover all or any portion of the Leased Premises from Tenant in connection with any such work (with or without relocating Tenant) as the City may determine in its sole and absolute discretion, and the following shall apply. If the City determines to recover all or any portion of the Leased Premises, the City shall provide Tenant with one hundred eighty (180) days' prior written notice specifying what areas will be recovered. If any portion remaining after such recovery is tenantable in light of the purposes of this Agreement (as determined by the City in its reasonable discretion), the City shall reduce the Base Rent hereunder by the percentage of the Leased Premises that the City recovers, and the City shall pay the cost of any alterations to the Hangar or the Tenant Improvements that are required by the City in connection therewith (so long as such improvements are not in breach of this Agreement). If the City recovers all of the Leased Premises, or if any remaining portion of the Leased Premises is not reasonably tenantable pursuant to the City's determination, the City shall terminate this Agreement by providing one hundred eighty (180) days' notice, and this Agreement shall terminate at the end of such one hundred eighty (180) day period. In connection with any such termination, the City shall pay the unamortized value of any Tenant Improvements made after the date of this Agreement (so long as such improvements are not in breach of this Agreement), amortized on a straight-line method over the period beginning on the date such improvements were completed through and include the termination date.

17.5 Maintenance Repair Direction and Control:

The City reserves the right, but is not obligated to exercise the right, 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 Tenant in this regard. These areas will include, but are not limited to, those areas which are necessary to serve the aeronautical users of the Airport, except that the City will not be obligated to maintain and keep in repair such areas of the airport as may be leased to or under the control of Airport tenants whether such area serves aeronautical users or otherwise.

17.6 Agreement with the United States of America:

This Agreement will be subject and subordinate to the provisions and requirements of any existing or future Agreement between the City and the United States of America relative to the development, operation or maintenance of the Airport. In the event that the FAA or other governmental authority (other than the City) requires any modification to this Agreement as a condition of the City entering any agreement or participating in any program applicable to the Airport (including, but not limited to, those providing funding), Tenant agrees to consent to any such modification. If a governmental authority (other than the City) determines that any act or omission of Tenant or Tenant's associates has caused or will cause the City to be non-compliant with any of the City's government commitments (including, but not limited to, any assurances or covenants required of the City or obligations imposed by any applicable Law), Tenant shall immediately take all actions that may be necessary to preserve the City's compliance with the same. Without liability to the City, the City shall have the right to terminate this Agreement and reenter and repossess any portion of the Leased Premises if the U.S. Department of Transportation or other governmental authority (other than the City) having jurisdiction expressly requires any such action, subject to any review that may be afforded to Tenant by such authority.

17.7 Operation of Airport by the United States of America:

This Agreement and all the provisions hereof will be subject to whatever right the United States of America now has or in the future may have or acquire affecting the control, operation, regulation and taking over of the Airport or the exclusive or nonexclusive use of the Airport by the United States during any time of war or national emergency.

17.8 PART 77 of Federal Aviation Regulations:

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.

17.9 Airspace:

There is hereby reserved to the City, 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 and the Hangar. This public right of flight will include the right to cause or allow in said airspace, any such noise, vibration, exhaust and fumes as may be inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation at the Airport. No liability on the part of the City will result from the exercise of this right.

17.10 Airport Obstructions:

Tenant by accepting this Agreement 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 which will exceed such maximum height as may be

stipulated by the City. It is understood and agreed that applicable Laws or agreements concerning height restrictions will govern the maximum height to be stipulated by the City. In the event the aforesaid covenants are breached, the City reserves the right to enter upon the Leased Premises and remove the offending structure or object and cut down the offending tree, all of which will be at the expense of Tenant and without liability to the City.

17.11 Airport Hazards:

Tenant by accepting this Agreement agrees for itself, its successors and assigns, that it will not make use of the Leased Premises or the Hangar in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard or obstruction. In the event the aforesaid covenant is breached, the City reserves the right to enter the Leased Premises and the Hangar and cause the abatement of such interference at the expense of Tenant and without liability to the City of any kind.

17.12 Compliance with Public Authorities:

Tenant will not use or permit the use of the Hangar, the Leased Premises or any other portion of the Airport for any purpose or use other than as authorized by this Agreement. Tenant, its employees, representatives or agents will comply with all present and future Laws governing or related to the use of the Airport, the Leased Premises or the Hangar.

17.13 Non-Discrimination:

Tenant shall not discriminate or permit discrimination against any person on the grounds of race, color, national origin, disability, age, religion, or sex, and shall abide by the provisions of Part 21 of the Rules and Regulations of the Office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended. The City reserves the right to take such action as necessary to enforce this covenant.

17.14 Subordination to Financing and Matters of Record:

This Agreement is subordinate to the provisions of any agreements or indentures entered by the City (regardless of whether entered into before or after this Agreement) in connection with any debt financing applicable to the Airport and is subordinate to any matter of record now or hereafter affecting the real property of the Airport.

17.15 Estoppel:

Tenant shall, without charge, at any time and from time to time hereafter, within ten (10) days after written request from the City to do so, certify to the City and/or any other person or entity requested by the City (i) as to whether this Agreement has been supplemented or amended or assigned or subleased, and if so, the substance and manner of such supplement or amendment or assignment or sublease, (ii) as to the existence of any Event of Default hereunder or breach hereof, and (iii) as to any other matters as may be reasonably requested by the City. Any such certificate may be relied upon by the City and any other person or entity to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on Tenant.

18. Inspection and Access of Premises

18.1 Inspection:

The City, its authorized officers, employees, agents, contractors and subcontractors or other representatives shall have the right enter upon the Leased Premises for the following reasons:

1. To inspect at reasonable intervals, including the Hangar interior, during regular business hours (or anytime in case of emergency) to determine whether Tenant has complied and is complying with the terms and conditions of this Agreement, and the FAA Grant assurances and other applicable Law.
2. For the purpose of inspecting the Leased Premises and the Hangar and for fulfilling the City's obligations hereunder, provided however, that such entry will be at such time and in such manner as to not unreasonably interfere with the operation of Tenant. The City may, however, enter at any time for emergency repairs or maintenance without responsibility to Tenant for loss of any kind.

A 24-hour notice shall be given to schedule an inspection, except in the case of emergencies. No such entry by or on behalf of the City upon the Leased Premises or in the Hangar will cause or constitute a termination of this Agreement nor be deemed to constitute an interference with the possession thereof nor constitute a revocation of or interference with any of Tenant's rights in respect thereof for use of the Leased Premises or the Hangar. Tenant hereby consents to allow the City such access.

18.2 Access:

Tenant is in possession of the Leased Premises as of the date this Agreement is fully executed and delivered by Tenant and the City.

Tenant will provide the City with copies of any keys and/or combinations for any locks to the Hangar. Locks at the Hangar are the property of Tenant; provided, however, that if Tenant fails to provide the City with current keys and/or combinations for such locks, then the City may remove, change, and/or replace such locks at Tenant's expense in connection with any efforts by the City to access the Leased Premises or the Hangar in accordance with this Agreement. Tenant shall keep all doors to the Hangar closed and locked at all times when unoccupied. Tenant shall be responsible for security of such doors at all times.

Tenant will be provided an Airport access badge and must pay fees as set by resolution. If there is an uncured Event of Default, the City may disable Tenant's Airport access badge and other entry access card(s) associated with the Leased Premises.

Tenant is responsible for accompanying any third-party invitee of Tenant, including without limitation, contractors and delivery companies accessing the Leased Premises.

18.3 Control of Personnel:

Tenant will, in and about the Leased Premises and the Hangar and elsewhere upon the Airport exercise reasonable control over the conduct, demeanor and appearance of its subtenants, guests, and the conduct of its contractors and suppliers. Upon objection from the City to Tenant concerning the conduct, demeanor or appearance of such persons, Tenant will, within a reasonable time, remedy the cause of the objection. Tenant shall be responsible for all actions, damage, infractions, or other trespasses that may be committed by Tenant's visitors.

19. Indemnity; Liens:

Tenant agrees fully to indemnify, and save and forever hold harmless the City, and its agents, employees and contractors, from and against all liabilities, losses, damages, claims and actions and all expenses incidental to the investigation and defense thereof (including, without limitation, reasonable attorney costs and fees), based upon or arising out of loss of life, bodily or personal injury, or damage to property, caused by (i) any act, omission, fault or negligence of Tenant, or its agents, employees or contractors, which occur on the Leased Premises, in the Hangar or at other parts of the Airport, (ii) Tenant's use or occupancy of the Leased Premises or the Hangar, or (iii) any breach by Tenant of any of Tenant's obligations under this Agreement.

Without limiting the foregoing, Tenant shall not permit any mechanic's, materialman's or other lien to be filed against the Leased Premises or the Airport as a result of work, labor, services or materials performed for or furnished to Tenant. Should any such lien be made or filed, Tenant will bond against or discharge the same within thirty (30) days after written request by City.

Tenant assumes all risk of the use of the Leased Premises and the Airport, and Tenant hereby knowingly, voluntarily, and intentionally waives any and all liabilities, losses, damages, claims and actions and all expenses that may exist now or in the future (including, but not limited to, claims for business interruption and for damage to any aircraft) against the City, and its agents, employees and contractors, arising from or relating to Tenant's use, occupancy, or operations at the Leased Premises or the Airport.

This Section 19 shall survive the expiration or any sooner termination of this Agreement.

20. Insurance:

20.1 Insurance:

Tenant agrees to carry and keep in force insurance covering bodily and personal injury, property damage and contractual liability, and such other insurance as may be necessary to protect the City from such claims and actions as set forth in **Exhibit C**. Without limiting its liability, Tenant agrees to maintain with insurance underwriters satisfactory to the City, a standard form of policy of insurance. Such policy shall include, without limitation, contractual liability coverage for Tenant's indemnity obligations under Section 19.

20.2 Certificates of Insurance:

Tenant shall provide to the City copies of the policies for the insurance set forth in this Section 20, or certificates of such policies, concurrent with the mutual execution and delivery of this Agreement and at least annually thereafter and as otherwise requested by the City. All policies shall be written as primary policies and not contributing with or in excess of the coverage, if any, which the City may carry. Such policies or certificates shall provide that coverage will not be canceled, suspended, voided, or reduced without at least thirty (30) days prior written notice to the City. Ratings for the financial strength of the companies providing Tenant's insurance policies shall be disclosed in such policies or certificates and shall be "A- VII" or stronger as published in the latest Best's Key Rating Guide (or a comparable rating from a comparable rating service). All policies or certificates shall be given or signed by a person authorized by the insurer and licensed by the State of Nevada.

20.3 Failure to Maintain Insurance:

Any failure by Tenant to maintain any policy required under this Section 20 shall be an Event of Default.

20.4 Waiver of Subrogation:

Notwithstanding any other provision contained in this Agreement, Tenant hereby waives any rights of subrogation it may have against the City for loss or damage from any risk that is covered by insurance carried, or required hereunder to be carried, by Tenant (including, but not limited to, claims for business interruption). Tenant shall obtain a clause or endorsement providing for such waiver of subrogation in any policies of insurance required under this Agreement.

21. Security:

Tenant acknowledges that the City is not responsible for providing security services at the Leased Premises or in the Hangar and that all such responsibility is the obligation of Tenant.

22. Default:

22.1 Events of Default:

Each of the following shall be considered an “Event of Default” and shall give rise to and entitle the City to the remedies provided for in Section 22.2, as well as any and all other remedies, whether at law or in equity, provided for or otherwise available to the City or as otherwise provided for in this Agreement: (i) Tenant fails to timely pay any Rent required to be paid by Tenant to the City under this Agreement, and such failure is not cured within fifteen (15) days after receipt of written notice thereof from the City; (ii) Tenant shall default in the performance of any other covenants, terms, conditions, provisions, rules or regulations of this Agreement, excepting those items listed elsewhere in this Section 22.1, and such default is not cured within thirty (30) days after written notice thereof given by the City; provided, however, that if such default is not capable of being cured within thirty (30) days, then Tenant shall not be deemed in default if Tenant commences such curing within such thirty (30) day period and thereafter diligently pursues the same to completion; or (iii) any other Event of Default designated elsewhere herein occurs.

22.2 Remedies and Damages:

If any Event of Default occurs, the City may, at its option and in addition to any and all other rights or remedies provided the City in this Agreement or at law or in equity, immediately, or at any time thereafter, and without demand or notice (except as provided herein): (i) if the Event of Default pertains to work or other obligations (other than the payment of Rent) to be performed by Tenant, without waiving such Event of Default, enter the Leased Premises and the Hangar and perform such work or other obligation, or cause such work or other obligation to be performed, for the account of Tenant; and Tenant shall upon demand pay to the City the cost of performing such work or other obligation plus fifteen percent (15%) thereof as administrative costs, or (ii) terminate this Agreement by written notice to Tenant and re-enter the Leased Premises and the Hangar and take possession thereof, and accelerate all Rent that would have been owing during the remaining portion of the Term if not for such

termination.

22.3 Habitual Monetary Defaults:

Notwithstanding anything to the contrary set forth in this Agreement, if there is an Event of Default with respect to the timely payment of any Rent required to be paid by Tenant to the City under this Agreement, and such Event of Default shall be repeated two (2) times in any period of twenty-four (24) consecutive months, then, notwithstanding that such Event of Default shall have been cured, upon any further similar Event of Default within said twenty-four (24) month period (a “**Habitual Monetary Default**”), the City, without affording Tenant an opportunity to cure such Habitual Monetary Default, may terminate this Agreement by written notice to Tenant given within thirty (30) days of such Habitual Monetary Default.

22.4 Acceptance of Partial Payments:

The City may, at its option, accept partial payments from Tenant without waiving any rights concerning collection of the full amount due, and without waiving Tenant’s default for non-payment.

22.5 Cumulative Remedies:

The specified remedies to which City may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress, to which City may lawfully be entitled for any breach or threatened breach by Tenant of any provision of this Agreement. In addition to the other remedies in this Agreement provided, the City shall be entitled to the restraint by injunction of the violation or attempted or threatened violation.

22.6 Default by City:

If the City fails to perform any of the provisions, covenants or conditions of this Agreement on the City’s part to be kept or performed, Tenant, prior to exercising any right or remedy Tenant may have against the City on account of such failure, shall give written notice of such failure to the City and the City shall not be deemed in default if the same is cured within thirty (30) days of the City’s receipt of such notice; provided, however, that if such failure to perform is of such a nature that more than thirty (30) days are reasonably required to cure the same, then the City shall not be deemed in default if it commences such curing within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

23. Assignment, Transfer, and Subletting:

Tenant shall not at any time sublet the Leased Premises or any portion thereof, or assign or transfer any rights to this Agreement or any of the rights, privileges, uses, or interests arising hereunder, without the prior written consent of the City, which consent the City shall not unreasonably withhold, condition or delay. In connection with any request by Tenant for any such consent, Tenant shall provide the City with thirty (30) days’ prior notice of such requested assignment or sublease along with such information regarding the proposed subleased, assignment or transfer as the City may reasonably request. The thirty (30) day notice requirement may be waived by the Airport Manager. As a condition precedent to the effectiveness of any such sublease, assignment or transfer

approved by the City, Tenant shall pay to the City an amount equal to (i) for any sublease of the Leased Premises, One Hundred Dollars (\$100), or (ii) for any assignment or transfer of this Agreement, one percent (1%) of the gross sale price (including any assignment, transfer or similar fee); provided, however, that in no event shall the amount payable under preceding clause (ii) be less than Five Hundred Dollars (\$500). Consent pursuant to this section may be granted by the City Manager or Real Estate Officer.

24. Transfer of City's Interest:

The City shall be liable under this Agreement only while owner of the Leased Premises. If the City should sell or otherwise transfer the City's interest in the Leased Premises, then (i) such purchaser or transferee shall be responsible for remaining obligations of the City under this Agreement, and (ii) the City shall have no liability to Tenant under this Agreement except for such liabilities which (a) might have accrued prior to the date of such sale or transfer, and (b) are not assumed by such purchaser or transferee.

25. Surrender Upon Termination:

Upon the expiration or earlier termination of this Agreement, (i) Tenant shall have no further right or interest in the Leased Premises, (ii) Tenant shall deliver to the City possession of the Leased Premises, the Hangar and all other Tenant Improvements in broom-clean condition and otherwise in the state of condition and repair as Tenant is required to maintain the Leased Premises, the Hangar and all other Tenant Improvements hereunder, (iii) ownership of the Hangar and all other Tenant Improvements shall automatically transfer to the City without any further action of Tenant, and (iv) Tenant shall remove all personal property from the Leased Premises, and repair any damage to the Leased Premises, the Hangar, any other Tenant Improvements or the Airport caused by such removal. Notwithstanding the forgoing, upon the City's written demand made not later than two (2) calendar years prior to the expiration of the Term, or within thirty (30) days after any sooner termination of this Agreement, Tenant shall, within one hundred eighty (180) days after the termination of this Agreement, remove the Hangar and all other Tenant Improvements from the Leased Premises, repair any damage to the Leased Premises or the Airport caused by such removal, and deliver and surrender to the City possession of the Leased Premises as an empty pad free of any items or debris. If Tenant fails to timely remove any personal property from the Leased Premises, or, if applicable, fails to timely remove the Hangar or any other Tenant Improvements from the Leased Premises, then the City may, in addition to all of its other rights and remedies, remove the same from the Leased Premises and dispose of the same in any manner as the City may elect, and all costs pertaining to such removal and disposal shall be the liability of Tenant, and Tenant shall upon demand pay to the City all such costs incurred by the City plus fifteen percent (15%) thereof as administrative costs. Alternatively, the City may construe any Tenant Improvements (including, without limitation, the Hangar) or personal property (including, without limitation, any aircraft) not timely removed from the Leased Premises to be abandoned, in which case ownership thereof shall automatically transfer to the City without any further action of Tenant.

All Airport access cards must be surrendered by Tenant to the City upon the expiration or sooner termination of this Agreement (provided that Tenant shall be permitted to retain the same after such termination to the extent reasonably necessary for Tenant to complete its obligations under this Section 25). Tenant shall pay the City a fee of \$50 for any such access card not so returned.

26. Force Majeure:

Whenever a day is appointed herein on which, or a period of time is appointed in which, a party is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from the doing or completion of such act, matter or thing because of labor disputes, civil commotion, war, warlike operations, sabotage, unforeseen governmental regulations or control, fire or other casualty, unforeseen inability to obtain materials, fuel or energy, weather or other acts of God, pandemic, or other causes beyond such party's reasonable control (financial inability excepted); provided, however, that nothing contained herein shall excuse any party from the prompt payment of any money that such party is required to pay hereunder.

27. Non-waiver:

Any waiver of any breach of covenants herein contained to be kept and performed by either party hereto shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the other party hereto from declaring a forfeiture, termination or cancellation for any succeeding breach either of the same condition or covenant or otherwise. Acceptance of payment of Rent shall not be deemed a waiver.

28. Attorney Fees:

In the event, any action, suit or proceeding is brought hereunder to enforce compliance with this Agreement or for failure to observe any of the covenants of this Agreement the prevailing party shall be entitled to recover all reasonable attorney costs and fees incurred by the prevailing party from the non-prevailing party in connection with the same.

29. Quiet Enjoyment:

The City agrees that on payment of the Rent and performance of the covenants and conditions on the part of Tenant to be performed hereunder, Tenant may quietly have, hold and enjoy the Leased Premises during the Term as herein provided without any disturbance from the City or from any other person or entity claiming through the City.

30. Interpretation of Agreement:

Nothing in this Agreement shall be construed or interpreted in any manner as limiting, relinquishing, or waiving any rights or ownership enjoyed by the City, or in any manner waiving or limiting its control over the operation, maintenance, etc., except as is specifically provided for herein or in derogation of such governmental rights as the City poses.

31. Invalid Provisions:

In the event any term, covenant, condition, or provisions herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of such shall in no way affect any other term, covenant, condition or provision herein contained; provided that the invalidity of such covenant, condition or provision does not materially prejudice either the City or Tenant.

32. Successors and Assigns:

All of the terms, covenants and conditions herein contained shall be binding upon and shall inure to the benefit of the legal representative, successors, and permitted assigns of the respective parties hereto.

33. Notices:

Notices to the City, provided for herein, shall be sufficient if sent by email, certified mail, postage prepaid, addressed to:

Boulder City Airport Manager
401 California Avenue
Boulder City, NV 89005
AirportAdmin@bcnv.org

Notices to Tenant shall be sufficient if sent by email, certified mail, postage prepaid, addressed to the Tenant as set forth in Exhibit B:

Or to such other respective address, the parties may designate to each other in writing from time to time.

34. Identification of Tenant:

If more than one person or entity executes this Agreement as Tenant:

- Each of them is jointly and severally liable for performing all the terms of this Agreement to be performed by Tenant, and;
- The term "Tenant" as used in this Agreement means and includes each of them jointly and severally, in all aspects.

35. Governing Law:

The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Agreement. Clark County, Nevada shall be the exclusive venue for any action or proceeding related or arising out of this Agreement.

36. Execution Required:

This Agreement is not effective until execution by and delivery to both City and Tenant. This Agreement constitutes the entire agreement of the parties and cannot be modified or changed unless a new Agreement or amendment hereto is written and signed by all parties.

37. Consent of City:

For the purposes of this Agreement, for so long as the City of Boulder City, Nevada remains the owner of the Leased Premises, any approval or consent of the City shall be deemed to require the consent or approval of the City given in accordance with the requirements of the City ordinances and Nevada state law, except (i) with respect to (a) consents and approvals under Section 23, and (b) extensions or waivers of any deadline or performance by Tenant hereof, and all of which shall be granted, conditioned, or denied by the City Manager or the Real Estate Officer, and (ii) as otherwise

expressly stated herein. Further, the execution or approval of any document contemplated or required under this Agreement shall be executed or approved by City Manager. Through the approval of this Agreement, the City Council of Boulder City expressly delegates authority to the City staff as indicated in this Agreement.

38. No Pledge of Agreement:

Tenant shall not pledge its interest in this Agreement or grant any security interest in its interest in this Agreement or otherwise hypothecate this Agreement.

TENANT AGREES TO ENTER INTO THIS AGREEMENT IN TENANT'S OWN CAPACITY. TENANT FURTHER AGREES TENANT HAS READ AND UNDERSTANDS THE FOREGOING AND AGREES TO BE BOUND THEREBY. TENANT WILL NOTIFY THE CITY OF ANY ADDRESS OR AIRCRAFT OWNERSHIP CHANGES.

In witness whereof, the parties hereto have executed this agreement as of the day and year set forth above.

**CITY OF BOULDER CITY,
A Nevada Municipal Corporation**

TENANT

BY:

Michael Mays, Acting City Manager

Charles Wallasch
Wallasch Family Trust

Attest:

Approved as to form:

Tami McKay, City Clerk

Brittany Walker, City Attorney

EXHIBIT "A"
DEPICTION OF LEASED PREMISES

IDENTIFICATION: BOULDER CITY AIRPORT HANGAR PAD#13

CLIENT: CITY OF BOULDER CITY

DATE: May 15, 1998

LEGAL DESCRIPTION

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 23 SOUTH, RANGE 64 EAST, M.D.M., IN THE CITY OF BOULDER CITY, COUNTY OF CLARK, STATE OF NEVADA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTERLINE INTERSECTION OF TAXIWAY "A" AND TAXIWAY 4 OF THE BOULDER CITY AIRPORT (FROM SAID POINT THE NORTH QUARTER CORNER OF SAID SECTION 20 BEARS $N42^{\circ}54'52''E$ 1,058.29 FEET AND THE SOUTH QUARTER CORNER OF SAID SECTION 20 BEARS $S09^{\circ}37'24''E$ 4,569.44 FEET); THENCE $N09^{\circ}17'00''E$ 254.00 FEET ALONG THE CENTERLINE OF TAXIWAY "A" TO THE CENTERLINE INTERSECTION OF TAXIWAY "A" AND TAXIWAY 2; THENCE $S80^{\circ}43'00''E$ 682.17 FEET ALONG THE CENTERLINE OF TAXIWAY 2; THENCE $S75^{\circ}15'30''E$ 205.17 FEET ALONG THE CENTERLINE OF TAXIWAY 2; THENCE $S73^{\circ}49'00''E$ 322.93 FEET ALONG THE CENTERLINE OF TAXIWAY 2; THENCE $S16^{\circ}11'00''W$ 30.00 FEET TO THE NORTHWESTERLY CORNER OF PAD#13 AS PER ATTACHED EXHIBIT "A", THE TRUE POINT OF BEGINNING; THENCE $S16^{\circ}11'00''W$ 60.00 FEET; THENCE $S73^{\circ}49'00''E$ 60.00 FEET; THENCE $N16^{\circ}11'00''E$ 60.00 FEET; THENCE $N73^{\circ}49'00''W$ 60.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINS 3600 SQUARE FEET

637TW2_13

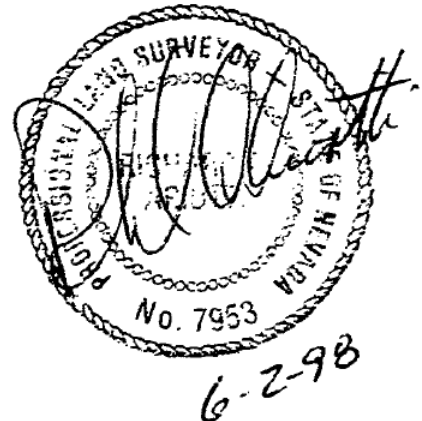


EXHIBIT "B"
TENANT INFORMATION

Business/Entity Name: Wallasch Trust			
Contact Name: Charles Wallasch (& title if applicable)			
Address: PO Box 2906			
City: Alpine	State: WY	Zip: 83128	
Email: cwallasch@earthlink.net			
Tail No: N371CW		Type: Single Engine	
Make: SOCATA		Model: TBM	
FAA Registered Owner: LPV Holdings (If different from Agreement Name) 6478 Paseo Cerro, Carlesbad CA 92009-1904			
Tail No:		Type:	
Make:		Model:	
FAA Registered Owner: (If different from Agreement Name)			
Tail No:		Type:	
Make:		Model:	
FAA Registered Owner: (If different from Agreement Name)			
Tail No:		Type:	
Make:		Model:	
FAA Registered Owner: (If different from Agreement Name)			

EXHIBIT "C"
INSURANCE SCHEDULE
Non-Commercial Airport Tenants

Liability Insurance:

General liability insurance covering bodily and personal injury, property damage and contractual liability, and such other insurance as may be necessary to protect the City from such claims and actions, in an amount of not less than \$1,000,000 per occurrence. General liability certificates of insurance shall list the City as additionally insured.

Property Insurance:

Tenant shall also procure and keep in force, fire, and extended coverage insurance, upon (i) the Hangar and all other Tenant Improvements, and (ii) other personal property in the Hangar from time to time, in each case to the full replacement value thereof.

Aircraft Insurance:

Tenant shall also procure and keep in force aircraft and passenger liability insurance that includes bodily injury, property damage, and passenger injury for all aircraft in the Hangar from time to time in an amount of not less than \$300,000 per occurrence.

Vehicle Insurance:

Tenant shall also procure and keep in force vehicular liability insurance that includes bodily injury and property damage for all vehicles in the Hangar and keep an updated copy on file with the City.