

47100 Hughes Ave - 7

Acero Flight, Inc

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LE A S E / L I C E N S E

THIS LEASE/LICENSE is made this 15th day of December, 1988, by and between the MOHAVE COUNTY AIRPORT AUTHORITY, INC., an Arizona corporation, hereinafter referred to as "LESSOR," and MATTHEW J. ZIOMEK and JUDITH ZIOMEK, husband and wife, hereinafter referred to as "LESSEE."

W I T N E S S E T H

WHEREAS, LESSOR has authority to enter into agreements concerning the use of the premises hereunder; and

WHEREAS, LESSEE desires to enter into a Lease/License Agreement with the LESSOR;

NOW, THEREFORE, in consideration of the conditions and covenants hereafter set forth and for the rents and fees reserved herein, it is mutually agreed as follows:

1. LEASED PREMISES. LESSOR hereby leases to LESSEE, and LESSEE agrees to take and let from LESSOR, that real property located at the Kingman Airport Industrial Park, Mohave County, Arizona, said real property being more fully described by Exhibit "A" attached hereto and by reference made a part hereof.

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ATTORNEYS AT LAW
730 EAST BEALE STREET
KINGMAN, ARIZONA 86401
602-753-6115

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1 2. LICENSED PREMISES. In addition to the
2 above-described leased property, LESSOR hereby grants to LESSEE
3 a License in the property described by Exhibit "B" attached
4 hereto and by reference made a part hereof.
5

6 3. TERM. The term of this Lease/License shall be
7 for twenty-three (23) years, commencing on the 15th day of
8 December, 1988, and expiring on the 14th day of December, 2011,
9 subject to the right of renewal hereinafter set forth.
10

11 4. RENEWAL. At the expiration of the prime Lease,
12 License term described in Paragraph 3 hereinabove, this Lease,
13 License shall be renewed for one additional term, beginning on
14 the 15th day of December, 2011, and expiring on the 31st day of
15 October, 2036, if LESSEE gives LESSOR written notice of its
16 intent that the Lease/License be renewed, such written notice to
17 be given no later than August 1, 2011. In the event LESSEE does
18 not give LESSOR written notice of its intent to renew this
19 Lease/License, then, and in that event, this right to renew
20 shall be null and void and the Lease/ License shall expire on
21 the 31st day of October, 2011.
22

23 5. RENT - LEASED PREMISES. LESSEE agrees to pay to
24 LESSOR as rent for the leased premises the following amounts:
25

26 a. The sum of ONE THOUSAND TWO HUNDRED DOLLARS
27 (\$1,200.00), payable in advance on or before the 15th day of
28

1 December of each and every year during the term of this Lease/
2 License, and any renewal or extension thereof, commencing on the
3 15th day of December, 1988, plus all applicable sales taxes
4 and/or possessory rights taxes, if any, payable in advance.
5 During the term of this Lease/License, and any renewal thereof,
6 the rent amount shall be adjusted annually, on the 15th day of
7 December of each year, beginning 1993, to reflect any changes in
8 the National Consumer Price Index as published by the Bureau of
9 Labor Statistics, Consumer Price Index, Washington, D.C.,
10 according to the formula described in Paragraph 7 hereinbelow.

11
12 b. All taxes levied or assessed upon the leased
13 property, including improvements thereto, and all taxes arising
14 out of the use of the leased property, and/or arising out of the
15 operation of this Lease/License Agreement. Such taxes shall
16 include, but not be limited to, personal property taxes,
17 possessory interest taxes, sales taxes and/or any like tax
18 levied, assessed or imposed by the United States, the State of
19 Arizona, Mohave County, or any political subdivision.

20
21 c. LESSEE hereby acknowledges that late payment
22 by LESSEE to LESSOR of the rents due hereunder will cause LESSOR
23 to incur costs not contemplated by this Lease/License Agreement,
24 the exact amount of which will be extremely difficult to
25 ascertain. Such costs include, but are not limited to,
26 processing and accounting charges. Accordingly, if any yearly
27 payment of rents or any other sum due from LESSEE hereunder
28

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1 shall not be received by LESSOR or LESSOR's designee on or
2 before the time set forth herein for the payment thereof, then
3 said amount shall be deemed past due, and LESSEE shall pay to
4 LESSOR a late charge equal to TWENTY-FIVE DOLLARS (\$25.00).
5 LESSOR and LESSEE hereby agree that such late charge represents
6 a fair and reasonable estimate of the cost that LESSOR will
7 incur by reason of any such late payment of LESSEE. Acceptance
8 of any such late charge by LESSOR shall in no event constitute a
9 waiver of LESSOR's default with respect to such overdue amount,
10 nor prevent LESSOR from exercising any of the other rights and
11 remedies granted hereunder.

12
13 6. LICENSE FEE - LICENSED PREMISES. LESSEE
14 agrees to pay to LESSOR as a license fee for the licensed
15 premises the following amounts:

16 ..
17 a. The sum of ONE THOUSAND TWO HUNDRED DOLLARS
18 (\$1,200.00), payable in advance on the 15th day of December of
19 each and every year during the prime term of this Lease/License,
20 commencing on the 15th day of December, 1988, plus all applica-
21 ble sales taxes and/or possessory rights taxes, if any, payable
22 in advance. During the prime term of this Lease/License, the
23 fee amount shall be adjusted annually, on the 15th day of
24 December of each year, beginning the 15th day of December, 1993,
25 to reflect any changes in the National Consumer Price Index as
26 published by the Bureau of Labor Statistics, Consumer Price
27 Index, Washington, D.C., according to the formula described in
28

1 Paragraph 7 hereinbelow.
2

3 b. If the LESSEE has exercised the option for a
4 renewal term pursuant to Paragraph 4 of this Lease/License, the
5 license fee beginning the 15th day of December, 2011, shall be
6 an amount equal to the yearly fair market rental value of the
7 license area. If the parties have not agreed in writing at
8 least six (6) months before the expiration of the initial term
9 upon the amount of the yearly fair market rental value, then
10 such value shall be determined by arbitration as provided in
11 Subparagraph 6.c. In no case shall the yearly fair market
12 rental value be less than the amount of the yearly license fee
13 payable by LESSEE during the last year of the prime term of this
14 Lease/License Agreement. During the renewal term, if any, the
15 license fee shall be adjusted annually, on the 15th day of
16 December of each year, beginning the 15th day of December, 2012,
17 to reflect any changes in the National Consumer Price Index as
18 published by the Bureau of Labor Statistics, Consumer Price
19 Index, Washington, D.C., according to the formula described in
20 Paragraph 7 herein.
21

22 c. In the event that the yearly fair market
23 rental value of the licensed premises must be ascertained
24 pursuant to Subparagraph 6.b herein, each party shall appoint an
25 arbitrator within thirty (30) days after notice in writing of
26 the dispute or after notice of the necessity for arbitration,
27 and shall advise the other party of its choice. On the failure
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1 of either party to appoint an arbitrator within ten (10) days
2 notification of the appointment by the other party, the person
3 appointed as arbitrator may appoint an arbitrator to represent
4 the other party in default. The two (2) arbitrators appointed
5 in either manner shall then proceed to determine the yearly fair
6 market rental value. In the event of their inability to reach a
7 result, they may select a third arbitrator, in which event an
8 award by two (2) of the three (3) arbitrators shall be binding
9 upon the parties. If the two arbitrators are unable to agree
10 upon a third arbitrator, the then Presiding Judge of the Mohave
11 County Superior Court, State of Arizona, shall appoint the third
12 arbitrator. The LESSOR and LESSEE shall each pay one-half (1/2)
13 of the expenses of the arbitrators, and shall be bound by their
14 award. The arbitrators shall each be a qualified independent
15 fee appraiser who has an office located in Mohave County,
16 Arizona.

17
18 d. All taxes levied or assessed upon the
19 licensed property, including improvements thereto, and all taxes
20 arising out of the use of the licensed property, and/or arising
21 out of the operation of this Lease/License Agreement. Such
22 taxes shall include, but not be limited to, personal property
23 taxes, possessory interest taxes, sales taxes and/or any like
24 tax levied, assessed or imposed by the United States, the State
25 of Arizona, Mohave County, or any political subdivision.

26
27 e. LESSEE hereby acknowledges that late payment
28

1 by LESSEE to LESSOR of the license fees due hereunder will cause
2 LESSOR to incur costs not contemplated by this Lease/License
3 Agreement, the exact amount of which will be extremely difficult
4 to ascertain. Such costs include, but are not limited to,
5 processing and accounting charges. Accordingly, if any yearly
6 payment of license fees or any other sum due from LESSEE
7 hereunder shall not be received by LESSOR or LESSOR's designee
8 on or before the time set forth herein for the payment thereof,
9 then said amount shall be deemed past due, and LESSEE shall pay
10 to LESSOR a late charge equal to TWENTY-FIVE DOLLARS (\$25.00).
11 LESSOR and LESSEE hereby agree that such late charge represents
12 a fair and reasonable estimate of the cost that LESSOR will
13 incur by reason of any such late payment of LESSEE. Acceptance
14 of any such late charge by LESSOR shall in no event constitute a
15 waiver of LESSOR's default with respect to such overdue amount,
16 nor prevent LESSOR from exercising any of the other rights and
17 remedies granted hereunder.

18
19 f. Notwithstanding any other subparagraph of
20 this Paragraph 6, in the event both MATTHEW J. ZIOMEK and JUDITH
21 ZIOMEK die, or in the event LESSEE transfers, assigns or sub-
22 leases the leased premises and/or licensed premises, the license
23 fee shall be adjusted immediately to an amount equal to the then
24 yearly fair market rental value pursuant to the procedure set
25 forth in Subparagraphs 6.b. and 6.c. herein. The yearly fair
26 market rental value then shall be the license fee during all of
27 the remaining prime term and renewal term, if any, of this
28

1 Lease/License Agreement, beginning on the date on which the
2 provisions of this Subparagraph apply; except that beginning the
3 next December 15, the amount of the then applicable license fee
4 shall be adjusted annually to reflect any changes in the
5 national Consumer Price Index as published by the Bureau of
6 Labor Statistics for the area which encompasses Mohave County,
7 Arizona.

8
9 7. CONSUMER PRICE INDEX ADJUSTMENT. The Consumer
10 Price Index rental and/or license fee adjustment will be
11 computed as follows:

12 On December 15 of each and every year specified
13 by Paragraphs 5 and/or 6 hereinabove, the fixed yearly rental
14 and/or the license fees as set forth in this Lease/License,
15 shall be adjusted upward in accordance with the formula set
16 forth below. In applying the formula, the following definitions
17 shall prevail:

18
19 a. "Bureau" means the Federal Bureau of
20 Labor Statistics or any successor agency that
21 shall issue the indices or data referred to in
22 Subparagraph b. below.

23 b. "Price Index" means the consumer
24 price index issued from time to time by the
25 Bureau with reference to the geographical area
26 including Mohave County, Arizona, or any other
27 measure hereafter employed by the Bureau in
28 lieu of such price index that measures the
cost of living in the designated area.

c. "Average Price Index" for any
quarterly period issued for the three (3)
months immediately prior to the first day of
any subsequent period to which reference is
made.

1 and a third by the two (2) arbitrators appointed by
2 LESSOR and LESSEE.
3

4 EXAMPLE: (Figures are arbitrary)

5 For September, 1992 179.6 For September, 1993 189.6
6 October, 1992 180.6 October, 1993 190.6
7 November, 1992 181.8 November, 1993 191.8
8 542.0 572.0

9 Average: $\frac{542.0}{3} = 180.66$ Average: $\frac{572.0}{3} = 190.66$

10 Numerator $\frac{190.66}{180.66} = 1.0553$
11 Denominator

12 Fixed Yearly Rental and/or License Fee \$1,200.00 X 1.0553 =
13 \$1,266.36

14 New Yearly Rental and/or License Fee = \$1,266.36

15 The sales or franchise privilege tax provision set
16 forth above shall then apply to the new yearly rental
17 and/or license fee.

18 The parties understand that at the present time
19 the Consumer Price Index as published by the Bureau of
20 Labor Statistics for the area which encompasses Mohave
21 County is designated as the United States Consumer
22 Price Index (for all urban consumers) and may be ob-
23 tained from the Consumer Price Index Agency located at
24 Arizona State University, Tempe, Arizona, telephone
25 602-965-3961.

26 8. USE OF LEASED PREMISES. Said premises are
27 leased to LESSEE to be used for aircraft hangers, aircraft
28 storage, and/or aircraft maintenance and repairs, including

1 other activities necessarily incidental thereto. Any other uses
2 not directly incidental to the uses permitted hereunder are
3 hereby prohibited without the express written consent of LESSOR.
4

5 9. USE OF LICENSED PREMISES. Said premises are
6 licensed to LESSEE for use as an aircraft tie-down facility site
7 only. Any other uses not directly incidental to the use
8 permitted hereunder are hereby prohibited without the express
9 written consent of LESSOR.
10

11 10. RULES AND REGULATIONS. LESSEE agrees to observe
12 and obey reasonable rules and regulations with respect to use of
13 the premises; provided, however, that such rules and regulations
14 shall be consistent with safety and with rules, regulations and
15 orders of the Federal Aviation Administration and with respect
16 to aircraft operations at the Kingman Airport; and provided
17 further that such rules and regulations shall not be incon-
18 sistent with the provisions of this Lease/License Agreement or
19 the procedures prescribed or approved from time to time by the
20 Federal Aviation Administration with respect to the operation of
21 LESSEE's aircraft at the Kingman Airport.
22

23 11. IMPROVEMENTS. Any and all improvements placed
24 upon the leased and/or licensed property by LESSEE shall be made
25 at the sole expense of LESSEE. At the expiration of the Lease/
26 License period, or at the termination of the Lease/License, for
27 any reason, all permanent improvements to the leased and/or
28

1 licensed property shall become the property of LESSOR.
2 Permanent improvements and/or alterations to the leased and/or
3 licensed property will hereby be prohibited without the express
4 written consent of LESSOR, which consent shall not be
5 unreasonably withheld.

6
7 12. INSURANCE. LESSEE shall acquire and keep in
8 effect adequate bodily injury liability and property damage
9 insurance and all other insurance needed or required for the
10 operations of LESSEE as contemplated by this Lease/License,
11 covering all of LESSEE's employees and equipment, and shall
12 indemnify and hold LESSOR harmless from any causes of action
13 arising from LESSEE's operations hereunder. In all the above
14 policies, LESSOR shall be named as an additional insured with
15 the LESSEE. For the period of this Lease/License, and any
16 renewal or extension thereof, such policies shall not be for
17 less than the amount of ONE MILLION DOLLARS (\$1,000,000.00)
18 combined single limit for bodily injury and property damage.
19 All such policies shall be placed with a reputable company
20 approved by the LESSOR. Copies of all such policies shall be
21 delivered to the LESSOR upon execution of this Lease/License
22 Agreement and shall be held for the benefit of the parties as
23 their respective interests may appear. The amount of said
24 insurance shall not be deemed as a limitation of LESSEE's
25 agreement to save and hold the LESSOR harmless, and if LESSOR or
26 LESSEE becomes liable for an amount in excess of the insurance,
27 LESSEE will save and hold LESSOR harmless for the whole thereof.

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1 Copies of all such policies entered into after the commencement
2 of this Lease/License shall be delivered to the LESSOR within
3 ten (10) days of the commencement of each such policy. In
4 addition to the above-named policies, and under the same
5 obligations to deliver copies of said policies to LESSOR, LESSEE
6 shall obtain fire insurance and other property loss insurance on
7 all improvements placed upon the leased and/or licensed
8 premises, in an amount equal to the value of said improvements.
9

10 13. UTILITIES. LESSEE shall pay promptly and prior
11 to any delinquency any and all charges which may be incurred for
12 water, gas, electrical power, telephone and any other utilities
13 delivered to or used upon the premises during the term or terms
14 of this Lease/License and shall hold LESSOR harmless therefrom.
15

16 14. ASSIGNMENT, SUBLEASE AND SUBLICENSE. The LESSEE
17 shall not transfer, assign or sublet this Lease/License
18 Agreement or any privileges granted hereunder without prior
19 written approval of LESSOR. Upon any assignment, sublease or
20 sublicense, this Agreement is voidable at the option of the
21 LESSOR, which option may be exercised within a reasonable period
22 subsequent to the LESSOR obtaining actual knowledge of any
23 assignment, sublease or sublicense. In the event of a transfer,
24 assignment, sublease or sublicense of this Lease/License
25 Agreement, LESSEE shall pay to LESSOR an amount equal to
26 LESSOR's attorneys' fees and costs arising out of such transfer,
27 assignment, sublease or sublicense; said attorneys' fees and
28

1 costs shall be no less than the sum of TWO HUNDRED FIFTY DOLLARS
2 (\$250.00). Regardless of LESSOR's consent, no subletting,
3 sublicensing or assignment shall release LESSEE of LESSEE's
4 obligation or alter the primary liability of LESSEE to pay the
5 rent and license fee and to perform all other obligations to be
6 performed by LESSEE hereunder. The acceptance of rent and/or
7 license fee by LESSOR from any other person shall not be deemed
8 to be a waiver by LESSOR of any provision hereof. Consent to
9 one assignment, subletting or sublicensing shall not be deemed
10 consent to any subsequent assignment, subletting or sub-
11 licensing. Notwithstanding the other provisions of this
12 Paragraph 14, LESSOR hereby grants its consent to LESSEE's
13 sublicensing of the contemplated aircraft tie-down facilities
14 (applicable to the license area only) under commercially
15 reasonable terms.

16
17 15. WASTE AND NUISANCE PROHIBITED. During the term
18 of this Lease/License, LESSEE shall comply with all applicable
19 laws affecting the premises. LESSEE shall not commit, or
20 permit, any waste or nuisance on the premises.

21
22 16. CARE OF PREMISES. At LESSEE's own expense,
23 LESSEE shall keep and maintain said leased and licensed premises
24 and the immediate surrounding areas clean, neat, safe and
25 orderly at all times. Furthermore, LESSEE hereby assumes all
26 responsibilities for maintenance, upkeep and repairs of all
27 walls, roofs, plumbing, heating and cooling, appliances and/or
28

1 fixtures in connection with said leased and licensed premises
2 during the term of this Lease/License, or any extensions
3 thereof. Upon the expiration of this Lease/License, or at the
4 termination of this Lease/License for any reason, LESSEE shall
5 redeliver the premises in good order and condition, reasonable
6 wear and tear excepted. LESSEE hereby acknowledges that LESSEE
7 has examined the leased and licensed premises and accepts the
8 same in their condition as of December 15, 1988.
9

10 17. INSPECTION OF PREMISES. To the extent necessary
11 to protect the rights and interests of LESSOR, LESSOR and its
12 agents shall at any reasonable time, by appointment, have the
13 right to inspect the leased and licensed premises during the
14 life of this Lease/License.
15

16 18. WAIVER OF PERFORMANCE. The waiver of LESSOR of,
17 or the failure of LESSOR to take action with respect to any
18 breach of any term, covenant or condition herein contained shall
19 not be deemed a waiver of such term, covenant or condition or
20 subsequent breach of same, nor shall the acceptance of rent
21 and/or license fees by LESSOR be deemed a waiver of any
22 preceding breach under this Lease/License Agreement.
23

24 19. DISPUTES - ATTORNEYS' FEES. In the event that
25 either party hereto shall institute and prevail in any action or
26 suit for the enforcement of any of its rights hereunder, the
27 prevailing party in said action or suit shall be awarded its
28

1 reasonable attorneys' fees and costs arising therefrom.

2
3 20. NOTICES. Any notice desired or required to be
4 served by either party upon the other or whenever notice is
5 provided for in this Agreement, it shall be given in writing and
6 hand-delivered or mailed by certified mail, return receipt
7 requested, to the party to whom addressed, as set forth herein-
8 below:

9 LESSOR: MOHAVE COUNTY AIRPORT AUTHORITY, INC.
10 c/o Bruno, Weisberg & Brooks, P.C.
11 730 East Beale Street
12 Kingman, AZ 86401

13 LESSEE: AERO FLITE, INCORPORATED
14 10096 Mano Drive
15 Kingman, AZ 86401

16
17 Any party may change the address to which notice shall
18 be delivered or mailed by notice duly given.

19 21. BREACH.

20 A. (1) If at any time the rental, license fees
21 or any money payments hereunder, or any part thereof, shall
22 remain unpaid for a period of five [5] days after the same
23 become due; or (2) if LESSEE is adjudged bankrupt; or (3) if
24 LESSEE abandons and/or discontinues operations at the leased
25 and/or licensed premises; or (4) if LESSEE shall fail to
26 fulfill or perform or is in default of any of the other
27 agreements or provisions hereunder [except for the non-payment
28 of rent and/or license fees, which shall be controlled by
Subparagraph 21.A.(1) hereinabove] and if LESSEE does not cure

1 and completely remedy any said default within ten (10) days
2 after written notice is given,

3 B. Upon the happening of any of the events
4 mentioned in Subparagraphs 21.A(1), (2), (3) and/or (4) above,
5 LESSEE shall be deemed in default hereunder, and upon such
6 default and at any time thereafter, LESSOR may collect by suit
7 or otherwise each installment of rent and/or license fees,
8 together with other sums as they may become due hereunder, or
9 enforce by suit or otherwise any other condition or provisions
10 hereof on the part of the LESSEE required to be kept or
11 performed. Further, LESSOR shall have and is hereby granted the
12 right to re-enter the premises, remove all persons therefrom,
13 take possession of all equipment, fixtures and personal property
14 thereon or therein belonging to LESSEE. LESSOR is further
15 granted the right, without terminating or forfeiting this
16 Lease/License but without prejudice to its rights to terminate
17 or forfeit the same thereafter and without in any way affecting
18 any right or remedy of LESSOR or any duties or obligations of
19 LESSEE hereunder, to relet and/or relicense the premises as
20 agent and for the account of LESSEE upon such terms and
21 conditions as LESSOR may deem advisable either with or without
22 any equipment or fixtures that may be situated thereon or
23 therein, and to make any renovations or repairs in the property
24 which LESSOR may deem to be required therefor. The rents and/or
25 license fees received on any such reletting and/or relicensing
26 shall be applied first to the expense of reletting, relicensing
27 and/or collecting, including necessary renovations and repairs
28

1 of the premises, and a reasonable attorney fee, any real estate
2 commission actually paid, and thereafter toward the payment of
3 all sums due or to become due to LESSOR hereunder, including but
4 not limited to rent, license fees, taxes, insurance and other
5 items. If a sufficient sum shall not be thus realized to pay
6 such rent and/or license fees and other charges, LESSEE shall
7 pay to LESSOR yearly any deficiency and such yearly deficiencies
8 shall be paid punctually when due as herein provided. At any
9 time prior to the expiration of the term hereof and even though
10 LESSOR has exercised rights as hereinabove stated, LESSOR may
11 terminate this Lease/License at LESSOR's election, in which
12 event LESSEE agrees to surrender possession of the premises
13 immediately, if the premises have not theretofore been
14 surrendered, and to pay to LESSOR at the time of such termina-
15 tion the net worth of the excess, if any, of the amount of rent
16 and/or license fees and charges equivalent to rent and/or
17 license fees reserved in this Lease/License for the balance of
18 the stated term of this Lease/License over the then reasonable
19 value of the premises for the same period. In addition to the
20 above, LESSOR shall be entitled to recover from LESSEE, and
21 LESSEE shall pay to LESSOR an amount equal to all expenses, if
22 any, including reasonable attorneys' fees incurred by LESSOR in
23 recovering possession of the premises, and all reasonable costs
24 and charges for the care of the premises, together with all
25 rent, license fees, taxes, insurance and other similar items
26 becoming due from time to time, which rent, license fees,
27 damages and other items shall be due and payable by LESSEE to
28

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1 LESSOR at such time or times as such items are due or such
2 expenses are incurred by LESSOR.

3 C. Each and every term, covenant and condition
4 contained in this Paragraph 21 shall be deemed separate and
5 independent, and all remedies hereinabove stated shall be deemed
6 cumulative to any and all remedies LESSOR might have under this
7 Lease/License or in accordance with law.

8
9 22. CORRECTION OF BREACH. LESSOR may correct any
10 breach or default by the LESSEE of which the LESSEE has received
11 written notice by certified mail and failed or neglected to
12 remedy within fifteen (15) days, and the LESSEE agrees upon
13 demand to reimburse the LESSOR for all expenses incurred by the
14 LESSOR in correcting said breach or default.

15
16 23. HOLDOVER. In the event LESSEE holds over beyond
17 the expiration of the term herein or beyond the date of any such
18 termination, such holding over shall be from month-to-month
19 only, subject to all of the terms and conditions of this
20 Agreement, but shall not be a renewal hereof nor a waiver of any
21 breach of conditions or covenant, and the rent and/or license
22 fee to be paid therefor shall be at the rate then prevailing
23 under the terms of this Agreement.

24
25 24. FIRE PREVENTION REGULATIONS. LESSEE shall at
26 all times comply with all applicable laws and ordinances
27 pertaining to fire regulations, and shall furnish and keep, at
28

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1 LESSEE's sole expense, adequate fire extinguishers in sufficient
2 numbers and in convenient and accessible places upon said pre-
3 mises, charged and ready for immediate use, as required by said
4 fire regulations and applicable laws or ordinances.
5

6 25. CONDUCT OF BUSINESS. LESSEE agrees to conduct
7 its operations using modern and practical techniques and
8 equipment available in order to reduce to a minimum the
9 emanation of fumes, odors and noises.
10

11 26. SIGNS. LESSEE agrees not to erect or display,
12 or permit to be erected or displayed, any exterior sign or
13 advertising matter of any kind on the leased premises or
14 licensed property without first obtaining the written consent of
15 LESSOR.
16

17 27. PERMITS, RULES AND REGULATIONS. LESSEE agrees
18 to obtain at LESSEE's expense all necessary licenses and permits
19 for the construction and operation of the leased premises and
20 licensed property and further agrees to observe, obey and abide
21 by all applicable laws, field rules and other regulations which
22 are now or may hereafter be imposed or promulgated by LESSOR,
23 the Federal Aviation Administration, or any other government
24 agency having jurisdiction over the subject matter, and which
25 relate to the common and joint use of Airport facilities and the
26 maintenance and conduct of all its operations.
27
28

1 28. CONTINUITY. This Agreement and each and all of
2 the covenants, obligations and conditions hereof shall inure to
3 the benefit of and bind the LESSOR and LESSEE respectively,
4 their successors and assigns.

5
6 29. PARAGRAPH HEADINGS. The paragraph headings con-
7 tained herein are for convenience and reference and are not
8 intended to define or limit the scope of any provision of this
9 Lease/License.

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11 30. APPLICABLE LAW. This Lease/License is being
12 executed and is intended to be performed in the State of
13 Arizona, and shall be enforced and construed according to the
14 laws of that state.

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16 31. F.A.A. PROVISIONS.

17 A. The LESSEE, for itself, its successors in
18 interest and assigns, as a part of the consideration hereof,
19 does hereby covenant and agree that (1) no person on the
20 grounds of race, color or national origin shall be excluded from
21 participation, denied the benefits of or be otherwise subject to
22 discrimination in the use of said facilities, (2) that in the
23 construction of any improvements on, over or under such land and
24 the furnishings of services thereon, no person on the grounds of
25 race, color or origin shall be excluded from participating in,
26 denied the benefits of, or otherwise be subjected to
27 discrimination, (3) that the LESSEE shall use the premises in
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1 compliance with all other requirements imposed by or pursuant to
2 Title 49, Code of Federal Regulations, Department of
3 Transportation, Subtitle A, Office of the Secretary, Part 21,
4 Nondiscrimination in Federally-Assisted Programs of the
5 Department of Transportation - Effectuation of Title VI of the
6 Civil Rights Act of 1964, and as said Regulations may be amended.

7 B. That in the event of breach of any of the
8 above nondiscrimination covenants, LESSOR shall have the right
9 to terminate the Lease/License and to re-enter and repossess
10 said land and the facilities thereon, and hold the same as if
11 said Lease/License had never been made or issued.

12 C. LESSEE shall furnish accommodations and/or
13 services on a fair, equal and nonunjustly discriminatory basis
14 to all users thereof and it shall charge fair, reasonable and
15 not unjustly discriminatory prices for each unit of services,
16 PROVIDED THAT the LESSEE may be allowed to make reasonable and
17 nondiscriminatory discounts, rebates or other similar types of
18 price reductions to volume purchases.

19 D. Noncompliance with Provision C. above shall
20 constitute a material breach hereof and, in the event of such
21 noncompliance, the LESSOR shall have the right to terminate this
22 Lease/License and the estate hereby created without liability
23 therefor or, at the election of the LESSOR or the United States,
24 either or both said governments shall have the right to
25 judicially enforce Provisions A., B. and C.

26 E. LESSEE agrees to insert the above four
27 provisions in any Lease or License by which said LESSEE grants a
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1 right or privilege to any person, firm or corporation to render
2 accommodations and/or services to the public on the premises
3 herein leased and licensed.

4 F. LESSOR reserves the right to further develop
5 or improve the landing area of the Airport as it sees fit,
6 regardless of the desires or view of the LESSEE, and without
7 interference or hindrances.

8 G. LESSOR reserves the right, but shall not be
9 obligated to the LESSEE, to maintain and keep in repair the
10 landing area of the Airport and all publicly-owned facilities of
11 the Airport, together with the right to direct and control all
12 activities of the LESSEE in this regard.

13 H. This Lease/License shall be subordinate to
14 the provisions and requirements of any existing or future
15 agreement between the LESSOR and the United States, relative to
16 the development, operation or maintenance of the Airport.

17 I. LESSEE agrees to comply with the notifica-
18 tions and review requirements covered in Part 77 of the Federal
19 Aviation Regulations in the event any future structure or
20 building is situated on the leased and/or licensed premises.

21 J. It is understood and agreed that nothing
22 herein contained shall be construed to grant or authorize the
23 granting of an exclusive right within the meaning of Section
24 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

25 K. There is hereby reserved to the LESSOR, its
26 successors and assigns, for the use and benefit of the public, a
27 right of flight for the passage of aircraft in the airspace
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ATTORNEYS AT LAW
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KINGMAN, ARIZONA 86401
602-753-6115

1 above the surface of the premises herein leased and licensed.
2 This public right of flight shall include the right to cause in
3 said airspace any noise inherent in the operation of any
4 aircraft used for navigation or flight through the said airspace
5 or landing at, taking off from or operation of the Mohave County
6 Airport.

7 L. The LESSEE, by accepting this Lease/License,
8 expressly agrees for itself, its successors and assigns, that it
9 will not erect nor permit the erection of any structure or
10 object nor permit the growth of any tree on the land leased
11 hereunder above a mean seal level elevation of 3,520 feet. In
12 the event the aforesaid covenants are breached, the LESSOR
13 reserves the right to enter upon the land leased hereunder and
14 to remove the offending structure or object and cut the
15 offending tree, all of which shall be at the expense of LESSEE.

16 M. The LESSEE, by accepting this Lease/License,
17 agrees for itself, its successors and assigns, that it will not
18 make use of the leased and/or licensed premises in any manner
19 which might interfere with the landing and taking off of
20 aircraft from the Airport or otherwise constitute a hazard. In
21 the event the aforesaid covenant is breached, the LESSOR
22 reserves the right to enter upon the premises hereby leased and
23 licensed and cause the abatement of such interference at the
24 expense of LESSEE.

25 N. This Lease/License and all the provisions
26 hereof shall be subject to whatever right the United States
27 Government now has or in the future may have or acquire,
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1 affecting the control, operation, regulation and taking over of
2 said Airport or the exclusive or nonexclusive use of the Airport
3 by the United States during the time of war or national
4 emergency.

5
6 32. MOHAVE COUNTY AIRPORT AUTHORITY RESTRICTIVE
7 COVENANTS. The parties hereto acknowledge that certain
8 restrictive covenants limiting the use of the leased and
9 licensed property were placed upon the leased and licensed
10 property by LESSOR and MOHAVE COUNTY. Said restrictive
11 covenants were filed in the Mohave County Recorder's Office on
12 July 22, 1980, in Book 646, Pages 767-781. LESSEE hereby
13 acknowledges the legitimacy of said restrictive covenants and
14 agrees to adhere to all terms thereof.

15 ..
16 IN WITNESS WHEREOF, the respective parties hereto have
17 executed this Lease/License on the day and year first above
18 written.

19
20 LESSOR: LESSEE:
21 MOHAVE COUNTY AIRPORT AUTHORITY, Matthew J. Ziomek
22 INC., an Arizona corporation MATTHEW J. ZIOMEK
23 By Darwin H. Thurston
24 DARWIN H. THURSTON, President JUDITH ZIOMEK
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STATE OF ARIZONA)
) ss.
COUNTY OF MOHAVE)

The foregoing Lease/License was subscribed and sworn to before me, the undersigned notary public, this 15th day of December, 1988, by DARWIN H. THURSTON, President of MOHAVE COUNTY AIRPORT AUTHORITY, INC.

Brenda S. Chastain
Notary Public

My Commission Expires:
My Commission Expires March 25, 1992

STATE OF ARIZONA)
) ss.
COUNTY OF MOHAVE)

The foregoing Lease/License was subscribed and sworn to before me, the undersigned notary public, this 15th day of December, 1988, MATTHEW J. ZIOMEK and JUDITH ZIOMEK, husband and wife.

Brenda S. Chastain
Notary Public

My Commission Expires:
My Commission Expires March 25, 1992

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EXHIBIT A

PARCEL B:

A portion of the S $\frac{1}{2}$ of Section 26, T.22 N., R.16 W., G.& S.R.M., Mohave County, Arizona being more particularly described as follows;

COMMENCING at the S $\frac{1}{4}$ Corner for said Section 26 a 3" OD Brass Disc in Concrete having Arizona Coordinate System, West Zone values of X= 440644.17 and Y= 1547770.38; thence N.82°09'47"E., 148.85 feet (Basis of Bearings Grid North said West Zone and Distances are ground to obtain grid multiply by 0.999775) to a P-K and Tag and the point of beginning; thence N.89°54'36"W., 295.75 feet to a P-K and Tag; thence N.00°05'24"E., 147.29 feet to a 5/8" rebar w/cap; thence S.89°54'36"E., 295.75 feet to a Lead Tack and Tag; thence S.00°05'24"W., 147.29 feet to the point of beginning. This parcel contains 1.00 Acres More or Less.

