

NAMPA MUNICIPAL AIRPORT LAND LEASE AGREEMENT

**HANGAR LOT 2650
IMPROVEMENTS PURCHASED FROM
EAGLE HELICOPTERS, INC., dba KACHINA AVIATION**

**LESSEE:
NAMPA VALLEY HELICOPTERS, INC.
1870 WEST FRANKLIN ROAD
MERIDIAN, ID 83642**

**LESSOR:
CITY OF NAMPA
c/o AIRPORT SUPERINTENDENT
116 MUNICIPAL DRIVE
NAMPA, ID 83687**

**EFFECTIVE TERM:
MAY 1, 2024 – APRIL 30, 2044**

This lease agreement (the “Agreement”) is entered into this 15th day of April 2024 by and between the City of Nampa, a Municipal Corporation of the State of Idaho (“Lessor”), and **Nampa Valley Helicopters, Inc.** (“Lessee”) a corporation with authority to do business in the State of Idaho. The Director of Transportation for the City of Nampa will designate the authorized agent to administer the provisions of this Agreement.

Whereas, Lessor now owns, controls, and operates the Nampa Municipal Airport (the “Airport”), in the City of Nampa, County of Canyon, State of Idaho; and

Whereas, Lessor has authority to enter into tenant agreements for the purpose of leasing property to accommodate public use of the Airport; and

Whereas, Lessee desires to lease a parcel of Airport property;

Therefore, in consideration of the rental payments, promises, and the mutual covenants contained in this Agreement, the parties agree as follows:

1. Term of Agreement.

The term of this lease shall commence on **May 1, 2024** (the “Effective Date”), and continue for a period of twenty (20) years from the effective date of this lease, terminating on **April 30, 2044**.

The parties hereto agree and acknowledge that the commencement of this Lease is expressly *contingent* upon the closing of the sale of the Improvement by Eagle Helicopters, Inc., dba Kachina Aviation. If that sale does not close for any reasons on or before May 31, 2024, then this Lease is void.

2. Renewal Option.

The Lessee shall have the right to renew this lease for one ten (10) year extension subject to and contingent upon the Lessee giving written notice to the Lessor not sooner than one (1) year and not less than one hundred and twenty (120) days prior to the termination date of this Agreement. The right to renew is conditioned upon Lessee being in compliance with all terms and conditions of the lease and is not otherwise in default, regardless of whether any default has been waived by Lessor. Additional renewals may occur upon mutual agreement of the Parties. Lessor reserves the right to re-negotiate terms and conditions of this Agreement upon any renewal according to current market conditions.

3. Premises Leased.

During the total period of this Agreement, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, Lot 2650, identified and shown on Exhibit A, attached hereto and incorporated herein by reference as set forth in full, together with the right of ingress and egress for Lessee’s designated personnel, and for both vehicles and aircraft; except that the use of any and all external pavement or concrete within the leased area shall be non-exclusive as to the owners, renters, or operators of adjacent Locked Lots, as well as any and all agents and invitees of the same, and Lessee shall not allow any obstruction to hinder the free passage of the persons, vehicles, or aircraft of said individuals upon or across Lessee’s premises, aprons, or ramps. Locked Lots are those lots which share no common border with a taxiway or taxilane.

4. Premises Use.

The development and/or use of any Premises located within the current or future boundaries of the Nampa Municipal Airport shall be consistent with the most recent Airport Master Plan and Airport Regulations. In addition, Lessee may use and occupy the leased Premises for the purpose(s) of (list all): **A certified aircraft maintenance repair and overhaul (MRO) center providing helicopter and fixed wing maintenance and support services.**

It is agreed that the only activity which Lessee may conduct on the leased premises, directly or indirectly, alone or through others, is that which is authorized under the terms of the agreement. Lessee understands and agrees that the right of ingress and egress to runways, taxiways, and aprons, now and hereinafter designed or constructed by Lessor shall be subject to all Airport Rules and Regulations, Minimum Standards, laws, regulations, grant obligations, policies and ordinances now or hereinafter adopted, and that the use of said runways, taxiways and aprons shall be in common with others and that the same shall not be obstructed by Lessee or closed to the right of use or travel by others. Lessor will make available to Lessee a copy of the most current version of the above cited Airport Rules and Regulations and Minimum Standards at the time of execution of this agreement.

Furthermore, it is understood by both parties that nonaeronautical uses and storage are not permitted at the Nampa Municipal Airport, and that if Lessee is found to be conducting a nonaeronautical use upon the leased premises, said activity shall be grounds for breach and default under this agreement. For all purposes, the term "Nonaeronautical Use" shall be construed consistently with how the term is used and defined on an ongoing basis by the FAA. To assist the parties in understanding how that term has been defined at or near the time of execution of this document, as of September 30, 2009, under Order 5190.6B, the Director of the Airport Compliance and Field Operations Division (ACO-1) has defined "Aeronautical Use" as "all activities that involve or are directly related to the operation of aircraft, including activities that make the operation of aircraft possible and safe. Services located on the airport that are directly and substantially related to the movement of passengers, baggage, mail, and cargo are considered aeronautical uses." Order 5190.6B at § 18.3(a). Order 5190.6B then provides that "All other uses of the airport are considered nonaeronautical." Order 5190.6B at § 18.3(c).

If this Agreement is for a Locked Lot, use of adjacent lots, as outlined in Section 3 of this Agreement, shall be strictly limited to ingress and egress to and from taxiways and taxilanes, and Lessee shall not cause or allow any use of or on adjacent lots which is not for these express purposes. Any damage caused to an adjacent lot by Lessee, or any agent or invitee of Lessee shall be the sole responsibility of Lessee, except that Lessee shall not be responsible for ordinary wear and tear caused by use of adjacent lots for ingress and egress to and from taxiways or taxilanes.

5. Construction and Improvements; Subsequent Modifications, Alterations and Add-ons.

During the total period of this Agreement, it is agreed and understood that the Lessee intends to construct, at Lessee's sole expense, structures and ground improvements upon said leased Premises, which said construction shall be subject to the following conditions:

- a. Construction shall be completed on each and every lot or lots leased by Lessee no later than six (6) months from the Effective Date of this agreement. Construction shall be deemed

LESSEE INITIAL: _____

DATE: _____

complete when the hangar or structure is eligible for or in receipt of a certificate of occupancy. If Lessee does not complete construction, except for reasons which the Lessor agrees to be beyond Lessee's control, this lease will terminate on the six (6) month anniversary of the Effective Date. If, however, prior to the six (6) month anniversary of the Effective Date, Lessee requests in writing an extension of time in which to complete construction already commenced and substantially underway, Lessor may grant an extension of time, not to exceed one hundred twenty (120) days, in which to complete said construction. If construction is commenced but not completed during the initial six (6) month period or an extension thereof, any structure or improvements remaining on the leased premises shall be dealt with in accordance with Section 9 below.

b. The construction of all facilities, together with landscaping, fencing and parking, shall be in accordance with plans to be reviewed and approved in writing by the Lessor before construction begins. All plans, specifications and construction activities shall comply with and be subject to all applicable laws and ordinances of the City of Nampa, the State of Idaho, and of the United States, the Airport Master Plan in effect, and shall be approved by the Nampa Airport Commission and the Nampa City Council. Further, any proposed construction may also be subject to FAA approval through the 7460 (Notice of Proposed Construction or Alteration) process.

c. Any additions or alterations to any structure located on the leased premises, as well as any addition of external air conditioning units, heating units, or any other external utilities, any portion of which will extend into a taxiway or taxilane safety area ("External Utilities"), shall be reviewed and approved in writing by the Airport Superintendent before commencement of construction, and may require, among other things, the obtaining of a building permit from the City of Nampa and/or FAA approval through the 7460 (Notice of Proposed Construction or Alteration) process. External Utilities may be permitted, upon review and written approval by the Airport Superintendent, and, whether placed on the ground or mounted on the side of the hangar, shall not be counted as additional square-footage in Tenants rental payment calculus.

6. Rental Payments.

During the total period of this Agreement, Lessee covenants and agrees to pay annual rent for the Premises on the 1st day of January of each year unless otherwise agreed upon in writing by Lessor. The initial annual rental fee for the Premises shall be **\$0.351** per square foot of the entire Premises area. The Premises area, **Lot 2650**, is made up of 10,800 square feet of hangar space and 39,824 square feet of access grounds for a total of **50,624 square feet**. If the initial calendar year of the lease is less than twelve months the Lessee will pay a pro-rata payment to cover the first partial year at the time of signing this lease. Rental payments not paid within 30 days of the agreed date(s) shall be considered delinquent and in default of this Agreement.

7. Annual and Periodic Rental Adjustments.

The rent will be automatically increased annually, effective January 1, according to the percentage increase of the Consumer Price Index – US City Average, All Items (CPI-U, Bureau of Labor Statistics) for the twelve calendar months prior to and including the most recent month for which such Index is available. The automatic annual increase shall be calculated as follows:

Current Year's Rent = Last Year's Rent x (Current CPI-U/Last Year's CPI-U).

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Additional periodic adjustments to the rental rate may be made in years ending with 5 or 0 (for instance, 2025 and 2030) as deemed necessary by Lessor to reflect cost of service increases, comparative rates, or other factors supporting an increase beyond the automatic annual CPI-U adjustment. Such periodic adjustments shall not be less than the automatic annual increase. Rental rates and adjustments are set by the City Council of the City of Nampa.

8. Rights and Obligations of Lessee.

- a) The right of ingress and egress to such runways, taxiways, and aprons, now or hereinafter designated by Lessor is subject to all city, state, and federal rules and regulations pertaining to the use of runways, taxiways, and aprons.
- b) The right of Lessee to the use of all runways, taxiways, and aprons or access roads shall be in common with others and that the same shall not be obstructed by Lessee or closed to the right of use or travel by others.
- c) All use and operation on the Premises shall be in strict accordance to all applicable city rules and regulations, including but not limited to the Nampa Municipal Airport Rules and Regulations and current Master Plan. All Rules and Regulations now in existence, or as herein amended, or hereinafter promulgated and adopted, are incorporated herein and made a part hereof by reference.
- d) Lessee shall keep and maintain, and repair in reasonable conditions, all property, ground, runways, taxiways, and any and all property belonging to Lessor which may be injured by Lessee in maintaining or operating on said Premises.
- e) Outside storage on the leased area, which in the opinion of the Airport Superintendent creates unsightly or dangerous conditions, shall not be allowed.
- f) Lessee shall not permit any person to use any part of the Premises for residential use.
- g) Lessee shall, within thirty (30) days of receiving an invoice from Lessor, reimburse Lessor for any costs or expenses incurred in obtaining a survey or legal description of the Premises in order to comply with the requirements of FAA Form 7460-1.
- h) Lessee shall not store or let stand any items on the exterior premises of the leased grounds without express written authorization from the Airport Superintendent.
- i) Lessee is obligated to keep Obstacle Free Areas clear from any and all hazards.

9. Termination of Agreement & Option to Purchase Improvements.

(a) Upon expiration or termination, for any reason, of this Airport Tenant Agreement, or any extension thereof, Lessee shall remove its personal property, including structures or buildings, and restore the premises to a condition acceptable to Lessor. If the parties have not entered into a renewed lease or a new lease agreement, and Lessee has not removed its personal property, including structures, buildings, or portions thereof, or sold said property to another party who has executed a new lease agreement with the Lessor, within 120 days after termination or expiration of this lease Agreement, Lessor shall have the right, but not the obligation, to purchase some or all of the personal property remaining on the leased premises, including structures or buildings, for the sum of One and No/100 dollar (\$1.00).

(b) Lessee, when tendered the above sum, will have no further right or interest in the above-described personal property and agrees to execute any and all necessary sale documents, including but not limited to a Bill of Sale, and Lessor shall be entitled to possession and ownership of the personal property. Prior to the exercise of Lessor's option herein provided for, Lessee shall have the right to sell and remove some or all of its personal property, including structures or buildings to a third party or parties, subject to

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any valid lien Lessor may have on said property or structures for unpaid rent or other amounts payable by Lessee to Lessor, and subject to Lessee's obligation to restore the premises to a condition acceptable to Lessor. However, no purchaser of any of Lessee's property shall have any right to continued occupancy of the leased premises without execution of a written agreement between said purchaser and Lessor.

10. First Right of Refusal.

Upon expiration or termination of this Agreement or any renewal of this Agreement, or in the event Lessee determines to sell or otherwise transfer ownership of structures and/or improvements specified in this agreement, the Lessor shall have a first right of refusal to purchase or accept transfer of such structures or improvements. Lessor may transfer this first right of refusal to a new lessee of the Premises. Lessee shall give written notice to Lessor advising of any such proposed sale or transfer and its price and terms. Lessor shall have ninety (90) days from receipt of such notice to exercise its first right of refusal and complete a purchase or receive a transfer upon identical terms.

11. Termination; Default.

(a) In any of the following events which shall constitute "events of default," Lessor shall have the right at Lessor's election, immediately to terminate this agreement, or to terminate Lessee's tenancy hereunder:

1. Lessee shall fail to pay rent in the amounts and at the times and in the manner provided herein, and that failure shall continue for sixty (60) or more days after written notice of it shall have been given to Lessee.
2. Lessee shall make an assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudged a bankrupt, and that adjudication be not stayed or vacated within sixty (60) days later, or the interest of Lessee under this agreement shall be levied upon and sold upon execution or shall by operation of law become vested in another person, firm or corporation because of the insolvency of Lessee; or in the event that a receiver or trustee shall be appointed for Lessee or the interest of Lessee under this agreement, and such appointment has not been vacated within sixty (60) days later.
3. Lessee shall vacate or abandon the premises, or any portion thereof, or shall permit them to remain vacant or unoccupied without first obtaining consent of Lessor.
4. Lessee shall fail to observe any other provision of this agreement after sixty (60) days written notice given by Lessor of such failure.

In the event of notification of default by Lessor to Lessee, Lessee shall pay, in addition to all arrearages as may exist under the notice of default, the reasonable attorney fees incurred by Lessor in determination of the default and notification to the defaulting Lessee.

(b) Upon the occurrence of any of the events of uncured, material default specified herein, Lessee's right to possession of the leased premises shall, at the Lessor's option, terminate and Lessee shall surrender possession immediately. In that event Lessee grants to Lessor full license to enter into the premises, or any part of them, to take possession with or without process of law, and to remove Lessee or

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any other person who may be occupying the premises, or any part of them, and Lessor may use that force in removing Lessee and that other person as may reasonably be necessary. And Lessor may repossess itself of the premises as of its former estate, but that entry of the premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture of rents due, nor waiver of any agreement or promise in this lease that is to be performed by Lessee. Lessee shall make no claim of any kind against Lessor, its agents and representatives by reason of that termination or any act incident to it.

At its option, Lessor may terminate this agreement for any uncorrected default. Lessor may sue for all damages and rent accrued or accruing under this agreement or arising out of any breach of it.

If it so elects, Lessor may pursue any other remedies provided by law for the breach of this agreement or any of its terms or conditions. No right or remedy conferred here on or reserved to Lessor or Lessee is intended to be exclusive of any other right or remedy, and each right and remedy shall be in addition to any other right or remedy given, or now or later existing at law or at equity or by statute.

The acceptance of rent by Lessor, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach of this agreement by Lessee, or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express waiver in writing, shall not be construed as a waiver of Lessor's right to act or of any other right here given Lessor, or as an election not to proceed under the provisions of this agreement.

The obligation of Lessee to pay the rent reserved here during the balance of the term of this agreement shall not be deemed to be waived, released or terminated by the service of any sixty (60) day notice, other notice to collect, demand for possession, or notice that the tenancy here created will be terminated on the date there named, the institution of any action of forcible detainer or ejectment or any judgment for possession that may be rendered in action, or any other act or acts resulting in the termination of Lessee's right to possession of the leased premises. Lessor may collect any rent due from Lessee, and payment or receipt of that rent shall not waive or affect any notice, demand or suit, or in any manner waive, affect, change, modify or alter any rights or remedies Lessor may have by virtue of this lease agreement.

Lessee hereby agrees to pay all reasonable expenses incurred by Lessor in obtaining lawful possession of the leased premises from Lessee, including reasonable attorney fees and costs, and to pay such other expenses as the Lessor may incur in putting the premises in good order and condition as herein provided, and also to pay all other necessary expenses or commissions paid by Lessor in re-leasing the premises.

12. Assignments, Transfers and Subleases.

This Agreement, in whole or any part thereof, may not be assigned or transferred by Lessee, by process of law, or in any other manner whatsoever, without prior written consent of Lessor. Lessee may not sublease all or any portion of its interest in this Agreement unless written notice of said sublease is given to Lessor, said notice providing the name and contact information for any such subtenant. No permitted assignment, transfer or sublease shall release the Lessee of its obligations or alters the primary liability of the Lessee to pay the rent and to perform all other obligations of the Lessee as specified in this Agreement, unless otherwise agreed to in writing between the parties. Any permitted assignment or transfer, and all subleases, must comply with all terms and conditions of this Agreement.

LESSEE INITIAL: _____

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- Lessor may, at its option, terminate this Agreement upon any assignment or transfer of any interest herein without the Lessor's prior written consent, or for any sublease for which proper notice has not been given to Lessor. "Transfer" also includes any change in the ownership of Lessee and/or the voting stock of Lessee.
- Lessor may, at its option, terminate this agreement upon any change of the premises' use (see paragraph 4) without the Lessor's prior written consent.
- Lessor may, at its option, terminate this Agreement in the event Nampa Valley Helicopters, Inc. shall cease to remain responsible for the day-to-day operation of the rights and obligations of Lessee as set forth in this agreement.

13. Future Construction by Lessor.

The Lessor reserves the right to enter upon that portion of the leased area outside of the structures which is not covered with asphalt or concrete and perform whatever construction or maintenance is necessary to provide a concrete or asphalt surface at no cost to the Lessee. The Lessor also retains the entire leased area outside the structures as a general utility easement and any surface disturbed by the Lessor in constructing a utility shall be restored to its original condition by the Lessor. Lessee acknowledges that such work, and other related airport activities, will benefit Lessee, though it may cause temporary inconvenience to Lessee. Rent shall be abated as a result of such inconvenience, for the duration of said inconvenience, ONLY if Lessee is unable to access Lessee's hangar for a period longer than thirty (30) days.

14. Future Improvements by Lessee.

The installation and maintenance of any future improvements to the Premises by Lessee shall first be agreed upon in an amendment or modification to this Agreement.

15. Hazardous Substances.

Lessee shall not engage, and shall not permit others to engage in an operation on the premises that involves the generation, manufacture, refining, transportation, treatment, storage, handling, or disposal of any "hazardous substances" without the prior written consent of Lessor, which may be withheld or granted at Lessor's sole discretion. As used herein, the term "hazardous substance" means any hazardous or toxic substance, material, or waste which is, or becomes regulated by any federal, state, county, or local governmental agency. Lessee agrees to indemnify and hold harmless Lessor against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of this Agreement.

16. Compliance with Laws and Regulations.

Lessee agrees to observe and obey during the term of this lease all laws, ordinances, rules, and regulations promulgated and/or enforced by Lessor or by other proper authority having jurisdiction over the conduct of operations at the airport, and to do all things necessary to stay or become in compliance with the same. Lessee further specifically agrees to comply with all requirements of the FAA, including but not limited to, those requirements originating out of the City of Nampa's relationship with the FAA, or which find their origin in relation to grants or other contractual arrangements between the City of Nampa and the FAA. Lessor reserves the right to amend this lease in conformance with the provisions of Section Twenty-

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Nine (29) hereinbelow to conform with any changes in Municipal, State or Federal laws, rules, regulations and ordinances. If at any time it is discovered that the provisions of this lease violate or are in any way inconsistent with current or later enacted Municipal, State or Federal laws, rules, regulations, ordinances, FAA policies, orders, advisory circular documents, grant obligations/assurances, or with any obligation the City of Nampa may have with respect to the FAA, Lessor shall have the right to amend this lease in conformance with the provisions of Section Twenty-Nine (29) hereinbelow as necessary to make this lease agreement consistent therewith. Lessee further agrees to execute any addendums or other requirements as may be imposed by the FAA as a condition of operating the Airport and/or receiving grant funding for Airport projects.

17. Utilities.

Lessee shall be responsible for all utilities to the Premises. Lessee shall pay for the hookup fees and all monthly fees for such utilities. Lessee is responsible for garbage collection used in or about said premises at Lessee's own cost and expense. Lessee shall pay for any initial hookup fees and shall pay any assessment fees levied for such irrigation water.

18. Taxes and Assessments.

During the total period of this Agreement, Lessor shall pay all taxes and assessments of any kind levied against the land identified as the Premises during the term of this Lease and any extension thereof; and Lessee shall pay any personal property taxes and assessments of any kind levied against Lessee's personal property, promptly, as the same become due.

19. Fire Hazards.

The Lessee shall not do anything in the Premises or bring or keep anything therein which will increase the risk of fire, or which will conflict with the regulations of the fire department or any fire laws, or with any fire insurance policies on the buildings, or with any rules or ordinances established by the board of health, or with any municipal, state or federal laws, ordinances or regulations. Unless otherwise noted in Section 31, below, NO FUEL MAY BE STORED ON THE PREMISES.

20. Labor Contracts and Employees.

The parties hereto expressly covenant and agree that all labor contracts and employment agreements with employees shall be made directly with Lessee and that all such employees shall be deemed solely the employees of Lessee and in no way employees of Lessor. Lessee covenants and agrees to indemnify and hold harmless Lessor of and from any liability for any acts of employees of Lessee or any acts of persons working for Lessee under a labor contract.

21. Right of Inspection; Emergency.

Lessor reserves the right to enter upon the leased premises upon forty-eight (48) hours prior written notice to Lessee for the purpose of making any inspection necessary to the proper enforcement of the covenants and conditions of this agreement. Such notice shall not be necessary in the case of an emergency affecting life or property, or if Lessor suspects that Lessee has abandoned the premises.

22. Waste Prohibited.

Lessee shall not commit any waste or damage to the Premises hereby leased nor permit any waste or damage to be done thereto.

23. Liability.

Lessor shall not be liable for any injury or damage which may be sustained by any person or property of the Lessee or any other person or persons resulting from the condition of said Premises or any part thereof, or from the street or subsurface, nor shall the Lessor be liable for any defect in the building and structures on said demised Premises, latent or otherwise. Lessee shall indemnify and hold the Lessor, the employee(s) of the Lessor, and the property of the Lessor, including the Premises, free and harmless from any and all claims, liability, loss, damage, or expense resulting from Lessee occupation and use of the Premises and the structures thereon, including any claim, liability, loss, or damage arising by reason of injury to or death of any person or persons, or by reason of damage to any property caused by the condition of the Premises, the condition of any improvements or personal property in or on the Premises, or the acts or omissions of Lessor or any person in or on the Premises with the express or implied consent of the Lessee. This paragraph 23 does not cover intentional acts by Lessor or its employees.

24. Liability Insurance.

If Lessee will be acting as a Fixed Base Operator, then Lessee shall maintain a comprehensive liability insurance policy in the minimum amount of **\$1,000,000 each occurrence \$2,000,000 aggregate** covering the above described premises during the term of this Lease with an insurance company licensed by the Idaho Department of Insurance,” all at the sole cost and expense of Lessee, in accordance with the Airport Rules and Regulations, Airport Minimum Standards or any modifications or amendments thereto. Lessee shall provide Lessor with a binder for said insurance showing proof of insurance. Lessee understands and agrees that if the Airport Minimum Standards or Rules and Regulations, or any subsequent modifications or amendments thereto, require Lessee (due to Lessee’s particular category of Fixed Base Operator) to procure insurance in an amount exceeding the limits noted above, Lessee shall procure and maintain insurance in said greater amounts.

If Lessee will solely be occupying the leased premises for private, non-commercial aircraft storage, then Lessee shall maintain a comprehensive liability insurance policy in the minimum amount of **\$500,000 each occurrence \$1,000,000 aggregate** covering the above described premises during the term of this Lease with an insurance company licensed by the Idaho Department of Insurance,” all at the sole cost and expense of Lessee, in accordance with the Airport Rules and Regulations, Airport Minimum Standards or any modifications or amendments thereto. Lessee shall provide Lessor with a binder for said insurance showing proof of insurance.

25. Attorney’s Fees.

In the event an action is brought to enforce any of the terms or provisions of this Lease, or enforce forfeiture thereof for default thereof by either of the parties hereto, the successful party to such action or collection shall be entitled to recover from the losing party a reasonable attorney's fee, together with such other costs as may be authorized by law.

26. Notices.

All notices required to be given to each of the parties hereto under the terms of this Agreement shall be given by depositing a copy of such notice in the United States mail, postage prepaid and registered or certified, return receipt requested, to the respective parties hereto at address listed immediately below, or to such other address as may be designated by writing delivered to the other party. All notices given by certified mail shall be deemed completed as of the date of mailing, except as otherwise expressly provided herein.

Lessor

Nampa Municipal Airport
c/o Airport Superintendent
116 Municipal Drive
Nampa, ID 83687

Lessee

Nampa Valley Helicopters, Inc.

1870 West Franklin Road
Meridian, ID 83642

27. Maintenance.

Lessee shall have sole responsibility for maintenance of the leased Premises, adjacent apron, and any associated improvements and/or structures during the total period of this Agreement.

Maintenance shall specifically include landscaping and required maintenance (i.e., crack sealing and resurfacing) of the asphalt/concrete area as needed, but at least once every five (5) years.

Lessee shall maintain all surfaces not covered by asphalt or concrete in a weed free condition and restrict parking from said area unless the area has been excavated to the proper subgrade and backfilled with an amount of gravel as specified by the Lessor.

28. Civil Rights Provisions.

The following obligations are assumed by Lessee and include the following: the Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall use the Premises not in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation. Subtitle A. Office of the Secretary, Part 2 1. Department of Transportation-Effectuation Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended; that in the event of breach of any of the preceding nondiscrimination covenants, Lessor shall have the right to terminate this Lease, to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.

29. Amendments and Modification.

This Agreement may be amended and/or modified by a written instrument signed, dated, and notarized by both Lessor and Lessee. However, Lessor reserves the right to amend this lease upon giving Lessee 180 days written notice of such amendment or modification, so long as the amendment or modification is necessary to

LESSEE INITIAL: _____

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comply with FAA rules or regulations other Federal or State regulations governing the use of Airports, or to bring this lease agreement into compliance with Municipal, State or Federal laws, rules, regulations, ordinances, FAA policies, orders, advisory circular documents, grant obligations/assurances, or any obligation the City of Nampa may have with respect to the FAA. Any amendment or modification shall take place on the Anniversary Date of this lease. In the event Lessee does not agree to such amendment or modification, this lease shall terminate following the expiration of 180 days prior written notice of such changes or amendments. Any modification to this lease shall be attached to or become a part of this lease, and any such amendment or modification shall be signed and dated by both Lessor and Lessee.

30. Binding Effect.

The provisions and stipulations hereof shall inure to the benefit of and bind the heirs, executors, administrators, assigns and successors in interest of the respective parties hereto.

31. Special Provisions.

The use and occupancy of the land shall be subject to the following special provisions:

- Lessee shall provide a list of all based aircraft (operational and airworthy aircraft based at a facility for a majority of any 12-month period) housed on the leased premises to the Airport Superintendent's office, and shall keep said list current at all times. The list shall include the name, address, and phone number of each aircraft's owner(s), the aircraft make and model, and aircraft registration numbers.
- Modification Charge: In the event Lessee requests and Lessor approves, an amendment or modification of the Lease, Lessee shall, with the lease modification request form, include a \$100 fee for administrative expenses related to the development, review, and approval of the Amendment.
- Joint and Several Liability: If more than one person or entity executes this Lease as Lessee, then (i) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Lessee, and (ii) the term "Lessee" as used in this Lease shall mean and include each of them jointly and severally and any act of or notice from, or notice or refund to, or signature of, any one or more of them, with respect to the tenancy of this Lease, including without limitation any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Lessee with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.
- Entire Agreement: This Agreement sets forth the entire understanding of the parties with respect to the matters set forth in this Agreement; it supersedes all prior oral or written agreements of the parties as to the matters set forth in this Agreement; and it cannot be altered or amended except by an instrument in writing, signed by both parties.
- Construction: This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions of this Agreement must be construed in accordance with their usual and customary meanings. Each party hereby waives the application of any rule of law which otherwise would be

LESSEE INITIAL: _____

DATE: _____

applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of this Agreement.

- Headings: The headings in this Agreement are for reference only and do not limit or define the meaning of any provision of this Agreement.
- Severability: If any provision of this Agreement or any portion of any provision of this Agreement is determined to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability may not alter the remaining portion of such provision, or any other provision of this Agreement, as each provision of this Agreement is deemed severable from all other provisions of this Agreement.
- Time of Essence: Time is of the essence in the performance of this Agreement.
- Governing Law: This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Idaho.
- Waiver: The waiver by any party to this Agreement of any right granted to it under this Agreement is not a waiver of any other right granted under this Agreement, nor may any waiver be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.
- Successors and Assigns; Assignment. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned without the prior consent in writing of each Party to this Agreement.
- Counterparts; Facsimile; Email. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. This Agreement may be executed by facsimile or other means of electronically imaging a signature.

32. Recording.

The parties hereto agree that they will not record a copy of this Agreement, Lessee's occupancy of said Premises being notice of Lessee's interest therein, provided however, that a memorandum of lease may be recorded.

33. Prohibition Against Exclusive Rights.

In accordance with the FAA Airport and Airway Improvement Act of 1982, 49 U.S.C. § 47101, *et seq.*, 49 U.S.C. § 40103(e), and other federal law, rules, regulations and orders governing the use and operation of airports, and the Airport Improvement Program (AIP) and other grant assurances, nothing contained herein shall be construed to authorize the granting, either directly or indirectly, of an "exclusive right," as that term is used in the above cited authority. To the extent any term or condition of this lease or any other agreement, express or implied, between the Lessee and Lessor can be considered to grant an exclusive

LESSEE INITIAL: _____

DATE: _____

right in violation of the above-cited authority, the parties agree that said term or condition shall be treated as null and void *ab initio*.

34. Conflict of Provisions of Lease.

In the event there is any conflict between the provisions of this lease and the applicable Minimum Standards and/or Airport Rules and Regulations, unless otherwise specifically noted in this lease, the applicable Minimum Standards and Rules and Regulations shall control over the terms and conditions of this lease.

In Witness Whereof

The Lessor and Lessee do execute this Lease Agreement the day and year first above written.

Lessor:

The City of Nampa

By: _____
Debbie Kling, Mayor

Attest: _____
Charlene Tim, City Clerk

By: _____
Montgomery Hasl, Airport Superintendent

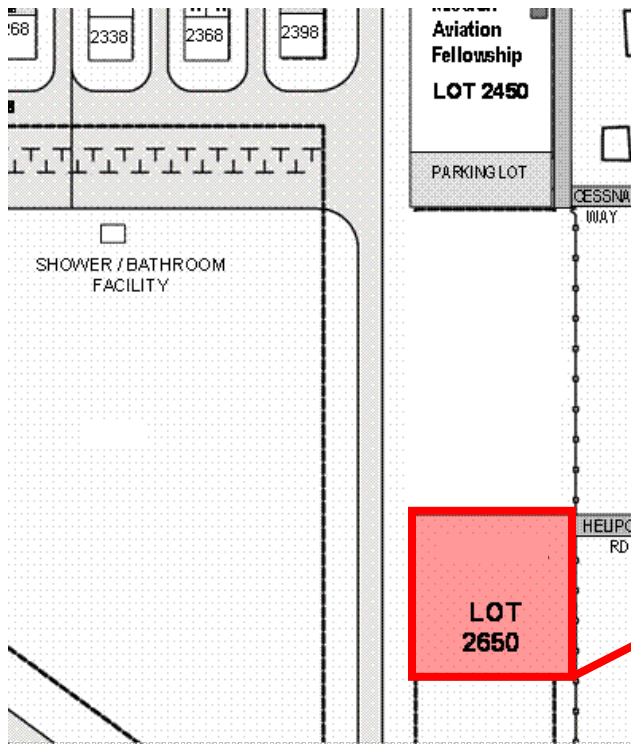
Lessee:

Nampa Valley Helicopters, Inc.

By: _____
W. Troy Atkinson, Director

By: _____

Exhibit A



Airport Lot 2650:
 $226' \times 224' = 50,624 \text{ SQFT}$

Made up of approximately:
Hangar $90' \times 120' = 10,800 \text{ SQFT}$
West Grounds $80' \times 120' = 9,600 \text{ SQFT}$
North Grounds $226' \times 33' = 7,458 \text{ SQFT}$
South Grounds $226' \times 71' = 16,046 \text{ SQFT}$
East Grounds $56' \times 120' = 6,780 \text{ SQFT}$

Total lot size = 50,624 SQFT

LOT 2650 – 50,624 SQFT at \$0.351 = \$17,769.02

Payment for 2024 by Eagle Helicopters, Inc., dba Kachina Aviation, will be transferred.
No additional payment due for 2024.

PROJECT: 00052
DATE: May 1, 2003
SHEET: 1 of 1

EXHIBIT "A"

LEASE PARCEL 2650

A parcel of land situated in the NW1/4 of the SE1/4 of Section 24, T.3N., R.2W., City of Nampa, Canyon County, Idaho, being that certain parcel of land as shown on Record of Survey Instrument No. 200325676, Canyon County records, more particularly described as follows:

COMMENCING at the C-E 1/16 corner of said section as shown on said survey, from which corner, the S-E 1/16 corner bears S.00°02'54"E., 1323.17 feet; thence, along the easterly line of said NW1/4 of the SE1/4,

- A) S.00°02'54"E., 617.84 feet to the **POINT OF BEGINNING**; thence, continuing,
- 1) S.00°02'54"E., 224.00 feet; thence, .
 - 2) S.89°55'01"W., 236.00 feet; thence,
 - 3) N.00°02'54"E., 224.00 feet; thence,
 - 4) N.89°55'01"E., 236.00 feet to the **POINT OF BEGINNING**.

CONTAINING 52,864 square feet or 1.21 acres, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way, and Easements of Record.



I:\00052\wpfiles\Exh-Lease Parcel 2650-Kachina.doc