
GROUND LEASE (Phase 1)

Between

**RENO-TAHOE AIRPORT AUTHORITY,
a quasi-municipal corporation organized under
Chapter 474, Statutes of Nevada 1977, as amended,**

as Landlord

And

DP RTA STEAD PH 1, LLC, a Delaware limited liability company

as Tenant

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GROUND LEASE

(Phase 1)

This **GROUND LEASE** ("**Lease**") is made and entered into effectively as of February 22, 2017 ("**Effective Date**"), between **RENO-TAHOE AIRPORT AUTHORITY, a quasi-municipal corporation organized under Chapter 474, Statutes of Nevada 1977**, as amended ("**Landlord**"), and **DP RTA STEAD PH 1, LLC, a Delaware limited liability company** ("**Tenant**"), with respect to the following facts, and is as follows:

RECITALS:

A. Landlord owns the land described in **Exhibit A** (the "**Land**") (the Land, together with Landlord's interest, if any, in any and all Improvements (below defined) now and hereafter existing on the Land, and all appurtenances thereto, collectively, the "**Premises**"), having acquired the Land from the City of Reno through a Quitclaim deed dated June 25, 1979, which deed was subject to certain covenants running with the land requiring its use for airport purposes and subjecting it to FAA grant assurances. The Land is generally depicted graphically in **Exhibits A-1 and A-2** attached hereto, without limitation to the Initial Acreage Factor or the determination of the Final Land Acreage as provided in **Section 4.2** below.

B. The Land is a part of the Airport (as defined herein) which is owned and/or operated by Landlord.

C. Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord.

NOW, THEREFORE, for good and valuable consideration, by entering into this Lease Landlord leases and demises the Premises to Tenant, and Tenant takes and hires the Premises from Landlord for the Term, upon the terms and conditions of this Lease.

ARTICLE 1 DEFINITIONS

The following definitions apply in this Lease, together with any other definitions set forth otherwise in this Lease. A term defined in the plural may be used in the singular, and vice versa, all in accordance with ordinary principles of English grammar.

"**Additional Rent**" means any and all sums and payments that this Lease expressly requires Tenant to pay Landlord or any third party, whether or not expressly designated as Additional Rent, except Fixed Rent.

"**Aeronautic Use**" means any activity that involves, makes possible, is required for the safety of, or is otherwise directly related to the operation of aircraft including, but not limited to, movement of passengers, luggage, mail and cargo on the Airport. Additionally, the operation of manned or unmanned aircraft, or providing flight support for same, are Aeronautic Uses.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person (ii) subject to limitations for a Transfer set forth in this Lease, any successor to the party in question by merger, consolidation or reorganization, and (iii) subject to limitations for a Transfer set forth in this Lease, any purchaser of all or substantially all of the assets or membership interests of the party in question as a going concern (whether such acquisition takes the form of an asset sale, a stock sale or a combination thereof). The term "Affiliated" shall have the correlative meaning.

"Airport" means the Reno-Stead Airport owned and operated by Landlord, including all real property and easements, improvements and appurtenances thereto, structures, buildings, fixtures, machinery and other tangible personal property or interest in any of the foregoing, now or hereafter owned or operated by Landlord.

"Airport Rules and Regulations" means those certain rules and regulations, as the same may be adopted and thereafter amended from time-to-time, which generally govern the operations and other activities which may take place on the Airport. The Airport Rules and Regulations serve as minimum regulations designed to protect and promote the safety of the users of the Airport.

"Applications and Filings" (or "Applications or Filings" and other variations on such term) means any instrument, document, agreement, certificate, or filing (or amendment of any of the foregoing): (a) necessary or appropriate for any Construction Work this Lease allows, including any application for any utility service or hookup, easement, covenant, condition, restriction, subdivision plat, or such other instruments as Tenant may from time to time request in connection with such Construction Work; (b) to enable Tenant to obtain any abatement, deferral or other benefit that may otherwise be available for Impositions; (c) if and to the extent (if any) this Lease permits, to allow Tenant to change the use or zoning of the Premises; (d) to enable Tenant from time to time to seek any Approval or to use and operate the Premises in accordance with this Lease; (e) otherwise reasonably necessary and appropriate to permit Tenant to realize the benefits of the Premises under and in accordance with this Lease; or (f) that this Lease otherwise requires Landlord to sign for Tenant.

"Approvals" means any and all licenses, permits (including building, demolition, alteration, use, environmental and special permits), approvals, consents, certificates (including certificate(s) of occupancy), rulings, variances, authorizations, or amendments to any of the foregoing as shall be necessary or appropriate under any Law during the Term in connection with the commencement, performance, or completion of any Construction Work, or the zoning, rezoning (to the extent permitted by this Lease), use, occupancy, maintenance, or operation of, the Premises.

"Approved Affiliate" means (A) any entity into which or with which Tenant has merged or consolidated or (B) any entity which acquires all or substantially all of the assets of or ownership interests in Tenant, provided that any such entity described in (A) and (B) continues to be Controlled by Tenant, has a net worth (determined in accordance with generally accepted accounting principles consistently applied), of at least Five Million Dollars (\$5,000,000), has the requisite experience owning, operating and/or managing suburban office and/or industrial

properties, and has been approved by Landlord in writing, such approval not to be withheld unreasonably, as determined in Landlord's discretion.

"Approved Loan Documents" has the meaning given to such term in Section 16.2.

"Bankruptcy Law" means Title 11, United States Code, and any other or successor state or federal bankruptcy, insolvency, reorganization, moratorium, or similar law for the relief of debtors.

"Bankruptcy Proceeding" means any bankruptcy, composition, insolvency, reorganization, or similar proceeding, whether voluntary or involuntary, under Bankruptcy Law, including any assignment for the benefit of creditors, appointment of a receiver or trustee, or any similar proceeding.

"Baseline Condition" has the meaning given to such term in Section 8.4.

"Building" means any building located on any part of the Land at any time during the term of this Lease.

"Building Equipment" means all fixtures incorporated into those Improvements owned or leased by Tenant and useful or necessary for the operation of the Improvements as such (as opposed to the operation of any business within the Building), including, without limitation, machinery, equipment, engines, boilers, escalators, elevators, compactors, heating, ventilating and air conditioning systems, compressors, ducts, pipes, conduits, and fittings.

"Business Day" means any weekday on which banks in the State are generally open to conduct regular banking business with bank personnel.

"Casualty" has the meaning given to such term in Section 12.1 of this Lease.

"Casualty Termination" means a termination of this Lease because of a Substantial Casualty, when and as this Lease expressly allows such a termination. Any election by Tenant of a Casualty Termination shall not be effective without Lender's consent.

"Certificate of Occupancy" means the document issued by the applicable Government, whether such document is temporary, conditional or final in its effect, allowing for the occupancy of an Improvement in accordance with Law.

"Commencement Date" has the meaning given to such term in Section 2.1 of this Lease.

"Condemnation" has the meaning given to such term in Section 12.1 of this Lease.

"Construction Work" means any alteration, addition, development, redevelopment, modification, expansion, demolition, Restoration, or other construction or reconstruction work affecting any or all Improvements from time to time constituting part of the Premises, or the construction or reconstruction of any new Improvements, or repair of any existing Improvements, located on or at the Premises.

"Contest" has the meaning given to such term in Section 10.1 of this Lease.

"Control" means the possession, directly or indirectly, of both: (a) at least fifty-one percent (51%) direct or indirect ownership of a Person; and (b) the power to direct or cause the direction of the management and policies of such Person, whether by ownership of Equity Interests, by contract, or otherwise.

"County" means the County of Washoe, Nevada.

"CPI" or "Index" means the Consumer Price Index for All Urban Consumers, U.S. City Average, All Urban, All Items, 1982-84 = 100, published by the United States Department of Labor, Bureau of Labor Statistics. If, in the future, the manner in which the Index is determined by the Department of Labor shall be substantially revised, an adjustment shall be made in such revised index that would produce results equivalent, as nearly as possible, to those that would have been obtained if the Index had not been so revised. If the average of 1982-1984 shall no longer be used as an index of 100, such changes shall constitute a substantial revision. If the Index shall become unavailable to the public because publication is discontinued, or otherwise, the Landlord will substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index shall then be available, a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication.

"Credit Enhancement" has the meaning given to such term in Section 4.1 of this Lease.

"Date of Certificate of Occupancy" means the date on which a temporary or permanent Certificate of Occupancy is first issued for a Building or Improvement on the Premises.

"Default" or "Event of Default" means any Monetary Default, Non-Monetary Default, or Insurance Maintenance Default.

"Default Interest" means interest at an annual rate equal to the lesser of: (a) eighteen percent (18%) per annum or (b) the highest rate permitted by law under the circumstances.

"Deposited Funds" means any funds (if any) that this Lease requires or allows Landlord (or anyone acting for or on behalf of Landlord) to hold for purposes of this Lease, and in which Tenant has an interest.

"Depository" means an Institutional Lender designated by a Lender (or, if no Leasehold Mortgage exists, then by Tenant). A Lender that is an Institutional Lender may designate itself as Depository.

"Design Guidelines" means the written and graphic requirements and principles that address, among other matters, the aesthetic, functional and operational issues associated with the Improvements including, without limitation by way of example, site layout, access circulation, architecture, utilities, landscaping, lighting and signage, noise abatement and vibration reduction, all as more specifically set forth in Exhibit D, and subject to updating by Landlord. At any time that Landlord updates the Design Guidelines, Landlord may deliver Notice to Tenant with a copy of the Design Guidelines and/or the update thereof, which in each instance upon delivery of such

Notice shall be deemed a part of Exhibit D attached hereto; provided, however, that such Design Guideline updates shall be applicable to Construction Work pursuant to Section 6.5 only to the extent Tenant has not already submitted plans, specifications and drawings for such Construction Work to Landlord pursuant to Section 6.5. The Design Guidelines apply to all improvements constructed by third parties on Airport property.

"Designated Affiliate" means one or more special purpose, subsidiary entity(ies) formed by Tenant or Tenant's Affiliate to enter into one or more Subparcel Leases.

"Environmental Law" means any Law related to environmental conditions on, under, or about the Premises, or relating to soil, air and ground water conditions at, under, in, or upon the Premises, or governing the use, generation, storage, transportation, disposal, release, clean-up or control of Hazardous Substances in, under, on, at, to, or from the Premises. Environmental Law shall also include any and all federal, state and local environmental, health or safety laws, statutes, ordinances, codes, regulations, rules of common law, orders, decrees or any other requirement of any governmental authority, as now or at any time hereafter are in effect, relating to or imposing liability or standards of conduct concerning gasoline, petroleum and other petroleum by-products, asbestos (including any product or construction material containing sufficient asbestos to be subject to any applicable Environmental Laws) explosives, PCBs, radioactive materials or any "hazardous" or "toxic" material, substance or waste that is defined by those or similar terms or is regulated as such under any statute, law, ordinance, rule or regulation of any Government having jurisdiction over the Premises or any portion thereof or its use, including any material, substance or waste which is: (i) defined as a "hazardous substance" under Section 311 of the Water Pollution Control Act (33 U.S.C. § 1317), as amended; (ii) defined as a "hazardous waste" under Section 1004 of The Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., as amended; (iii) defined as a "hazardous substance" or "hazardous waste" under Section 101 of The Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq. ("SARA") or any so-called "superfund" or "superlien" law, including the judicial interpretations thereof; (iv) defined as a "pollutant" or "contaminant" under 42 U.S.C.A. § 9601(33); (v) defined as "hazardous waste" under 40 C.F.R. Part 260; (vi) defined as a "hazardous chemical" under 29 C.F.R. Part 1910; or (vii) subject to any other law or other past (and still in effect), present, or future requirement of any Government regulating, relating to or imposing obligations, liability or standards of conduct concerning the protection of human health, plant life, animal life, natural resources, property or the enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy from whatever source.

"Equipment Lien" means any security interest, financing lease, personal property lien, conditional sales agreement, chattel mortgage, security agreement, title retention arrangement or any similar arrangement (including the related UCC-1 financing statements) for Tenant's (or any Subtenant's) acquisition or leasing of any Financed FF&E used in connection with the Premises (or any business operated thereon) that is leased, purchased under conditional sale or installment sale arrangements, encumbered by a security interest, or used under a license, provided that each Equipment Lien encumbers or otherwise relates to only the Financed FF&E for which such secured party provides actual bona fide purchase-money financing or an actual bona fide equipment lease. A Leasehold Mortgage is not an Equipment Lien.

"Equity Interest" means all or any portion of any direct or indirect equity or ownership interest(s) (whether stock, partnership interest, membership interest, or other interest of an ownership or equity nature) in any entity at any tier of ownership that directly or indirectly owns or holds any ownership or equity interest in the Leasehold Estate, as applicable.

"Estoppel Certificate" means a statement, addressed to the other party to this Lease or as such other party shall direct, containing statements to the following effect (identifying in reasonable detail any exceptions that may exist at the time), as requested by either party: (a) this Lease has not been amended, constitutes the entire agreement between the parties relating to the Premises, and is in full force and effect; (b) neither party is, to the actual, good faith knowledge of the applicable signer, in default under this Lease and to the actual, good faith knowledge no facts or circumstances exist that, with the passage of time or the giving of Notice or both, would constitute defaults under this Lease by either party; (c) Tenant has paid all Rent that has accrued to date; (d) the Commencement Date and any other then-ascertainable dates relevant to this Lease but not expressly set forth in the text of this Lease, and the basis for each such date; (e) the signing party is not, to its actual, good faith knowledge, entitled to any defenses, offsets, claims, counterclaims or rights or recoupment against its obligations under this Lease; (f) the current Fixed Rent, if not ascertainable from the text of this Lease; (g) names and addresses of all existing Lenders of which the signing party has received Notice; (h) confirmation (where appropriate) that each such Lender is entitled to the rights of a Lender as set forth under this Lease; (i) the signing party's address for notices; and (j) such other matters as either party shall reasonably request.

"Expiration Date" means the date when this Lease terminates or expires in accordance with its terms, whether on the Scheduled Expiration Date, or by Tenant's exercise of its rights and remedies for a Landlord Default, or by Landlord's exercise of remedies for an Event of Default or otherwise.

"FBO" means a fixed based operation providing commercial aeronautic services such as fueling, maintenance and hangaring of aircraft as well as transportation, aircraft sales, and similar related services.

"FAA Requirements" means the rules and regulation promulgated from time to time by the FAA and applicable to Landlord and/or the Airport.

"Federal Aviation Administration" or "FAA" means the United States of America, Department of Transportation, Federal Aviation Administration, or any successor agency.

"Fee Estate" means the fee simple estate in the Land, and any remainder interest in the Improvements under this Lease, but subject to all the terms and conditions of this Lease, and excluding the Tenant's fee simple interest in the Improvements for the duration of the Term of this Lease.

"FF&E" means all movable furniture, fixtures, equipment, and personal property of Tenant or any Subtenant (excluding Building Equipment) that may be removed from the Premises without material damage thereto (unless Tenant or any Subtenant agrees to repair such damage) and without adversely affecting: (a) the structural integrity of the Premises; (b) any

electrical, plumbing, mechanical, or other system of the Premises; (c) the present or future operation of any such system; or (d) the present or future provision of any utility service to the Premises. FF&E includes items such as factory equipment, material handling equipment, conveyor systems, racking systems, furniture, fixtures and other equipment, telephone, telecommunications and facsimile transmission equipment, point of sale equipment, televisions, radios, and computer systems, and other removable items associated specifically with Tenant's or any Subtenant's operations, but not the general operation or use of the applicable Improvement.

"Financed FF&E" means any FF&E subject to an Equipment Lien in favor of a Lender that: (a) is not an Affiliate of Tenant, and (b) actually provided bona fide financing or a bona fide equipment lease after the Commencement Date for Tenant's or any Subtenant's acquisition or use of such FF&E.

"Government" means each and every governmental authority, quasi-governmental body, department, agency, bureau, or other entity or instrumentality having or claiming jurisdiction over the Premises, including the federal government of the United States, the State government and any subdivisions and municipalities thereof, including the County government, and all other applicable governmental authorities and subdivisions thereof. "Government" shall also include any planning commission, board of standards and appeals, department of buildings, and city council having or claiming jurisdiction over the Premises.

"Hazardous Substances" includes flammable substances, explosives, radioactive materials, asbestos, polychlorinated biphenyls, pollutants, contaminants, hazardous wastes, medical wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic by, or otherwise regulated or controlled under, Environmental Law.

"Hazardous Substances Discharge" means any deposit, spill, discharge, or other release of Hazardous Substances that occurs at or from the Premises, or into the Premises, or that arises at any time from the use, occupancy, or operation of the Premises or any activities conducted therein or any adjacent or nearby real property, or resulting from the seepage, leakage, or other transmission of Hazardous Substances from other real property to the Premises, whether or not caused by a party to this Lease or any Person controlled by said causing party and whether occurring before or after the Commencement Date.

"Impositions" means all general and special real estate taxes (including any taxes on FF&E, sales taxes, use taxes, and the like), assessments, water and sewer rents, rates and charges (including, without limitation, all monetary amounts required to be paid pursuant to or in connection with Water Requirements Agreements), excises, levies, license and permit fees, fines, penalties and other governmental charges and any interest or costs with respect thereto, charges for any easement or agreement benefiting the Premises, and charges for public and private utilities (including gas, electricity, water, light, heat, air conditioning, power and telephone and other communication services), general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time before or during the Term and applicable to the Term or any part thereof may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or charged with respect to or become a lien on, the Premises, or the sidewalks or streets in front of or adjoining the Premises, or any

vault, passageway or space in, over or under such sidewalk or street, or any other appurtenances of the Premises, or any FF&E, Building Equipment or other facility used in the operation thereof, or the rent or income received therefrom, or any use or occupancy thereof, or the Rent, or any document to which Tenant is a party creating or transferring an interest or estate in the Premises. The "Impositions" shall not, however, include any of the following, all of which Landlord shall pay before delinquent or payable only with a penalty: (a) any franchise, income, excess profits, estate, inheritance, succession, transfer, gift, corporation, business, capital levy, or profits tax, or license fee, of Landlord; and (b) the incremental portion of any of the items listed in this Section that would not have been levied, imposed or assessed but for any sale or other direct or indirect transfer of the Fee Estate during the Term. Notwithstanding the foregoing, (1) Tenant shall be responsible for and shall pay any tax on Rent and any occupancy or rent tax that accrues during the Term and (2) if at any time during the Term the method of taxation prevailing at the Commencement Date shall be altered so that any new tax, assessment, levy (including any municipal, state or federal levy), imposition, or charge, or any part thereof, shall be measured by or be based in whole or in part upon the Premises and shall be imposed upon Landlord, then all such new taxes, assessments, levies, impositions, or charges, or the part thereof to the extent that they are so measured or based, shall be deemed to be included within the term "Impositions," to the extent that such Impositions would be payable if the Premises were the only property of Landlord subject to such Impositions, and Tenant shall pay and discharge the same as this Lease requires for the payment of Impositions, except to the extent that such tax, assessment, or levy referred to in item "2" is not included in the definition of "Impositions" under the preceding sentence.

"Improvements" means any and all improvements located on the Premises including, without limitation, any Building and Building Equipment, sidewalks, curbs, parking areas, driveways, lighting systems, landscaping, signage, storm water retention and detention systems, storm and sanitary sewer systems and facilities, water, gas, electric and telecommunication utility systems and facilities, and all related improvements.

"Indemnify" means, wherever this Lease states that any Indemnitor shall "Indemnify" any Person from, against, or for a particular matter (the "Indemnified Risk"), that the Indemnitor shall indemnify the Indemnitee and defend and hold the Indemnitee harmless from and against any and all loss, cost, claims, liability, penalties, judgments, damages, and other injury, detriment, or expense (including Legal Costs, interest and penalties) that the Indemnitee suffers or incurs: (a) from, as a result of, or on account of the Indemnified Risk or (b) in enforcing the Indemnitor's indemnity; provided, however, that in no event shall Landlord or Tenant's indemnity obligations in this Lease extend to loss of business or loss of profit damages which may be suffered by the other party.

"Indemnitee" means: (a) a party entitled to be Indemnified under this Lease and (b) its partners, members, officers, directors, agents, employees, and lenders.

"Indemnitor" means a party that agrees or is required by this Lease to Indemnify any other Person.

"Infrastructure Improvements" means (i) all mass grading of the Land for Improvements; (ii) to the extent specifically applicable to and necessary for the development of the Land,

completion of all roads, including the grade crossing by Union Pacific Railroad to enable the extension of Moya Boulevard into the Land; (iii) water, sewer and all other utility infrastructure; and (iv) all other infrastructure improvements, that in each case of items in clauses (i) through (iv) are necessary or required for the development of the Land pursuant to this Lease or Applicable Laws for the development, construction and use of the Project.

"Insurance Maintenance Default" means any failure by Tenant to: (a) maintain or pay premiums for any insurance that this Lease requires Tenant to maintain; or (b) give Landlord evidence of such insurance when and as this Lease requires but only if (in each case) such failure continues beyond the expiration of all applicable notice and cure periods).

"Land Development Tenant Improvement Permit" means a written permit, in a form provided by Landlord, issued upon approval and execution by Landlord authorizing Tenant to commence a particular construction project, improvement, installation or modification, subject to any conditions of Landlord.

"Landlord" initially means **Reno-Tahoe Airport Authority**, a quasi-municipal corporation organized under Chapter 474, Statutes of Nevada 1977, as amended, and its successors and assigns as holders of the landlord's interest under this Lease.

"Landlord Approved Lender" has the meaning given such term in the definition of Leasehold Mortgage.

"Landlord Default" has the meaning given to such term in Section 18.9.

"Laws" means all laws, ordinances, requirements, orders, proclamations, directives, rules, and regulations of any Government affecting the Premises or this Lease in any way, including the development, improvement, alteration, use, maintenance, taxation, operation, or occupancy of, or environmental conditions affecting, the Premises or any part of the Premises, or relating to any Impositions, or otherwise relating to this Lease or the parties' rights and remedies under this Lease, or any Transfer of any of the foregoing, whether in force at the Commencement Date or passed, enacted or imposed at some later time, subject in all cases, however, to any applicable waiver, variance, or exemption.

"Lease Year" means: (a) the twelve (12) calendar months starting on the first day of the first full calendar month after the Commencement Date (if the Commencement Date is not the first day of a calendar month); and (b) every successive period of twelve calendar months thereafter during the Term.

"Leasehold Estate" means Tenant's leasehold estate, and all of Tenant's rights and privileges under this Lease, upon and subject to all the terms and conditions of this Lease and Tenant's duties and obligations hereunder.

"Leasehold Mortgage" means any mortgage, deed of trust, or other security instrument: (a) that encumbers the Improvements, the Leasehold Estate or any interest in the Leasehold Estate; and (b) that is held by either (i) a Lender that is a state or nationally chartered bank or national association, or nationally recognized life insurance company, financial services company, securities company, insurance company or capital markets entity (each such Lender

described above as being an "**Institutional Lender**") or (ii) such other or subordinate Lender (other than described above) as is approved by Landlord, and in each case subject to the jurisdiction of the courts of the State and not immune from suit (in each instance, a "**Landlord Approved Lender**."

"**Legal Costs**" of any Person means all reasonable costs and expenses such Person incurs in any legal proceeding (or other matter for which such Person is entitled to be reimbursed for its Legal Costs), including, without limitation, reasonable attorneys' fees, court costs, expert witness cost and expenses, and expenses at the trial and any appellate level, and in or as a result of any Bankruptcy Proceedings.

"**Lender**" has the meaning given to such term in Section 16.1 of this Lease.

"**Loan Documents**" has the meaning given to such term in Section 16.2.

"**Loss**" means any Casualty.

"**Minimum Standards**" means the standards to be adopted by Landlord from time to time to be applied to aeronautic activities at the Airport, to ensure compliance with FAA regulations.

"**Monetary Default**" means any failure by Tenant to pay any Rent or Additional Rent (including Impositions and insurance premiums) payable under this Lease beyond the expiration of all applicable notice and cure periods.

"**Non-Monetary Default**" means any material failure by Tenant to perform as required by this Lease, other than a Monetary Default or an Insurance Maintenance Default beyond the expiration of all applicable notice and cure periods.

"**Notice**" means any notice, demand, request, election, designation, or consent relating to this Lease, including any Notice of Default. Notices shall be delivered, and shall become effective, only in accordance with the "Notices" Article of this Lease.

"**Notify**" means give a Notice.

"**Notice of Default**" means any Notice from one party to the other claiming or giving Notice of a Default or alleged Default by the recipient.

"**Notice of Nonresponsibility**" means a document, compliant with Chapter 108 of NRS and prepared and noticed by the Landlord, reciting that the Landlord is not and will not be responsible for any materials furnished or labor performed on the Premises or elsewhere at the Airport by or on behalf of Tenant.

"**Permitted Alterations**" means Improvements made or caused to be made by Tenant to the extent (i) such Improvements are made solely within a Building, (ii) such Improvements are not a part of and do not materially adversely affect the structural components of the Building, such as load bearing walls, foundations, roofs, etc. and (iii) are not visible from the outside of such Building.

"Permitted Exceptions" means only: (1) the title exceptions affecting the Fee Estate recorded prior to the Commencement Date of this Lease, including those listed as exceptions in Tenant's leasehold policy of title insurance covering this Lease (if any); (2) any Applications and Filings entered into at Tenant's request; (3) this Lease and its terms and provisions; (4) any state of facts an accurate survey or an inspection of the Land would show; and (5) the Additional Permitted Exceptions listed on **Exhibit B**.

"Person" means any natural person and any, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, Government, or other entity. (The foregoing definition does not limit any Transfer restrictions in this Lease.)

"Premises" has the meaning set forth in the Recitals of this Lease.

"Prime Rate" means the prime rate or equivalent "base" or "reference" rate for corporate loans that, at Landlord's election, by Notice to Tenant, is from time to time: (a) published in the Wall Street Journal; (b) announced by any large United States "money center" commercial bank Landlord designates; or (c) if such rate is no longer so published or announced, then a reasonably equivalent rate published by an authoritative third party that Landlord reasonably designates. Notwithstanding anything to the contrary in this Section, the Prime Rate shall never exceed a rate of interest that would otherwise require any party to pay interest above the highest rate legally permitted under the circumstances.

"Prohibited Lien" means any judgment or other involuntary lien recorded of record against the Leasehold Estate, or any mechanic's, vendor's, laborer's or material supplier's statutory lien or other similar lien arising from work, labor, services, equipment, or materials supplied, or claimed to have been supplied, to Tenant or any Subtenant (or anyone claiming through either), which lien attaches (or may attach upon termination of this Lease) to the Fee Estate. An Equipment Lien is not a Prohibited Lien. A Leasehold Mortgage is not a Prohibited Lien.

"Project" means the development of the Land, including the installation of all Improvements, Infrastructure Improvements.

"Property Insurance Proceeds" means those insurance proceeds payable with respect to a Loss.

"Purpose" has the meaning given to such term in **Section 5.1** of this Lease.

"Rent" means Fixed Rent and Additional Rent.

"Restoration" has the meaning given to such term in **Section 12.3** of this Lease.

"Restoration Funds" has the meaning given to such term in **Section 12.3** of this Lease.

"Scheduled Expiration Date" has the meaning given to such term in **Section 2.1** of this Lease.

"State" means the State of Nevada.

"Sublease" means any sublease of the Premises or any part of the Premises, or any other agreement or arrangement (including a license, occupancy, concession, or management agreement) made by Tenant granting any third party the right to occupy, use or possess all or any portion of the Premises, together with any sublease or any further level of subletting of the Premises or any part of the Premises, as any of the foregoing may be assigned, extended, renewed, or amended from time to time.

"Subrent" means all subrents and other money due and payable by Subtenants under Subleases.

"Subtenant" means any person having rights of occupancy, use, or possession under a Sublease.

"Supplementary Agreement" means any agreement, security instrument, guaranty, letter of credit or other document (other than this Lease) by which any party to this Lease, or any other party, provides assurances, security, or credit enhancement regarding any party's performance under this Lease.

"Transfer" of any property means any of the following, whether by operation of law or otherwise, whether voluntary or involuntary, and whether direct or indirect: (a) any sale, grant, conveyance, assignment, mortgage, pledge, hypothecation, or other transfer, whether direct or indirect, of all or any part of such property, or of any legal, beneficial, or equitable interest or estate in the same or any portion thereof (including the grant of any lien, easement, or other encumbrance); (b) any sale, other transfer, issuance, modification, conversion, exchange, or other reallocation(s), singly or in the aggregate, of more than forty-nine percent (49%) of the Equity Interest(s) in the owner of such property by the holder of such Equity Interest(s); (c) any other direct, indirect, voluntary, or involuntary transfer, assignment, sale, conveyance, pledge, or hypothecation, singly or in the aggregate, affecting more than forty-nine percent (49%) of the Equity Interest(s) or any other interest in such property or in any such owner (or in any other direct or indirect owner at any higher tier of ownership) through any manner or means whatsoever; or (d) any transaction that is in substance equivalent to any of the foregoing transactions. A transaction affecting Equity Interests in Tenant or another entity, as referred to in clauses "b" through "d," shall be deemed a Transfer by Tenant even though Tenant is not technically the transferor. The term "Transfer" shall not, however, include any transfer (provided that the other party to this Lease has been given prior Notice of such transfer) of an Equity Interest: (a) that constitutes a mere change in form of ownership with no material change in beneficial ownership and is a tax-free transaction under federal income tax law; (b) to member(s) of the immediate family(ies) of the transferor(s) or trusts for their benefit, in each instance for estate planning purposes only; or (c) to any Person that already holds an Equity Interest in the entity whose Equity Interest is being transferred.

"Transferee" means any Person who succeeds to any portion or all of the Leasehold Estate by assignment or Sublease.

"Unavoidable Delay" means delay in performance of any obligation under this Lease (excluding any obligation to pay money) arising from or on account of any cause whatsoever beyond the reasonable control of the Person required to perform, notwithstanding such Person's commercially reasonable diligent efforts, including industry-wide strikes, labor troubles or other union activities (but only to the extent such actions (a) affect similar premises at that time and (b) do not result from an act or omission of the Person claiming Unavoidable Delay), such Person's inability to obtain required labor or materials after reasonable commercial efforts to do so, litigation (unless caused by the party claiming Unavoidable Delay), Loss, accidents, Laws, governmental preemption, war, or riots. Unavoidable Delay shall not include any delay caused by the insolvency, financial condition, or illiquidity of the Person obligated to perform. A party required to perform under this Lease shall give the other party Notice within ten (10) days after such party knows of any such Unavoidable Delay and shall give the other party Notice within ten (10) days after such Unavoidable Delay ceases to exist. Where this Lease states that performance of any obligation is subject to Unavoidable Delay(s) or words of similar import, such Unavoidable Delay(s) shall extend the time permitted for such performance only by the number of days by which such Unavoidable Delay(s) actually delayed such performance. Unavoidable Delay excludes the following events: (i) the financial condition of Tenant; (ii) Tenant's cost or other terms of financing; and (iii) the global, United States, Nevada or Washoe County economy.

"Waiver of Subrogation" means a provision in, or endorsement to, any policy of insurance, by which the insurance carrier agrees to waive all rights of recovery by way of subrogation against either party to this Lease in connection with any loss covered by such policy.

"Water Requirements" means any and all requirements imposed by the applicable water purveyor for or purveyors of water service (including potable and non-potable water) required or deemed necessary at any time during the Term for the delivery of water and water service to the Premises for Tenant's operations thereon or in connection therewith.

"Water Requirements Agreements" means all application, agreements, will-serve letters and contractual or other undertakings of whatever nature required to be entered into by Landlord or Tenant in connection with Water Requirements.

ARTICLE 2 TERM

Section 2.1 Term. The term of this Lease (the "Term") shall be for fifty (50) Lease Years and shall commence on March 1, 2017 (the "Commencement Date"). The Term shall continue until 11:59 p.m. on the last day of the fiftieth (50th) Lease Year of the Term (the "Scheduled Expiration Date"), unless terminated sooner. If the Commencement Date is not the first (or the Expiration Date is not the last) day of a month, then from the Commencement Date through the day before the first Lease Year (or from the day after the last Lease Year through the Expiration Date), the parties shall have all the same rights and obligations under this Lease (including regarding Rent) that they do during the first (or the last) Lease Year, all prorated daily.

Section 2.2 [Reserved].

Section 2.3 Surrender. Notwithstanding any other provision of this Lease to the contrary, no notice to quit possession at the expiration date of the Term of the Agreement shall be necessary. Tenant covenants and agrees that at the expiration of the Term, or at any earlier termination thereof, Tenant will peaceably surrender possession of the Premises in good condition, reasonable wear and tear, and acts of God excepted, and Landlord shall have the right, in compliance with all Laws, to take possession of the Premises with or without due process of law.

Section 2.4 Holdover. In the event Tenant remains in possession of the Premises after the expiration or termination of this Lease without any written extension thereof or the express written consent by Notice from Landlord, such holding over shall not be deemed as a renewal or extension of this Lease but shall create only a holdover tenancy at sufferance, under the same operating conditions contained here, except as to Rent and fees, which shall be one hundred fifty percent (150%) of the current Fixed Rent rate. Said tenancy shall be subject to Landlord's termination and repossession of the Premises at any time. Tenant shall be liable to Landlord for all loss or damage on account of any holding over against Landlord's will after the expiration or cancellation of this Lease, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by Landlord from Tenant after the expiration, termination or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the Term, or affect any such notice, demand or suit or imply consent for any action for which Landlord's consent is required or operate as a waiver of any right of the Landlord to retake and resume possession of the Premises.

**ARTICLE 3
PREMISES AND PRIVILEGES**

Section 3.1 Lease of Premises. Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant leases from Landlord, the Premises.

Section 3.2 Condition. Tenant has inspected the Premises and accepts the Premises in the condition existing as of the Commencement Date, "AS IS," with all faults and defects, latent and patent, and with no assurances, warranties, representations or guarantees of any kind or nature whatsoever, including, without limitation, representations or warranties as to the soil, water or other material condition as might result in unexpected costs for site preparation, development or operations, or the suitability of the Premises for Tenant's purposes; and Landlord makes no representation as to the drainage or storm water runoff through the Premises and/or to the condition or quality of the Premises at the Commencement Date. Tenant shall be solely responsible to perform all due diligence with respect to the Premises, including, without limitation, to survey, test, measure and be aware of change in elevations or grades and the resulting water flows and to make provisions to protect the Premises and all Improvements placed or existing thereon.

Section 3.3 Quiet Enjoyment.

A. Landlord covenants that, so long as this Lease is in full force and effect and has not been terminated, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the Term, subject to the terms and conditions of this Lease, without disturbance by or from Landlord or anyone claiming by or through Landlord or having title to the Premises paramount to Landlord, and free of any encumbrance created or suffered by Landlord, except Permitted Exceptions.

B. Notwithstanding Paragraph A, above, the National Championship Air Races ("**NCAR**") and Pylon Racing School ("**PRS**") are held at Airport each year and conducted by the Reno Air Racing Association, Inc. ("**RARA**"), and certain inconveniences, such as lack of parking and restricted access, will occur while the NCAR, PRS or other aviation related special events, conducted by RARA or other tenants or users of Airport, are being conducted at Airport. Tenant shall relinquish operational use of any Offsite Area (defined as any area outside the boundary lines of the Premises) of Airport during closure of Airport for the NCAR, PRS or other such event; provided, however, that under no circumstance shall Tenant be denied actual access to the Premises during any such events, and in no event shall any third party other than Tenant and Tenant's invitees be allowed to park on the Premises or use the Premises (except in the case of exigent or emergency circumstances attendant to such event(s), such as, for example but not by limitation, any disabled or crashed airplane on the Premises and emergency personnel and others accessing and occupying the Premises in connection therewith). Tenant shall not be entitled to any abatement or reduction of Rent or any other compensation, recourse or remedy as a result of Tenant's inability to use or inconvenience associated with the use of the Premises or Airport while the NCAR, PRS or other such event is being conducted. Tenant shall cooperate with the FAA, RARA and/or any other such tenant or user to establish special aircraft ingress and egress on any Offsite Area. The terms of this Paragraph B shall also apply to any limitation and/or restriction of Tenant's and/or any Subtenant's activities caused by, resulting from, arising out of, relating to or in connection or conjunction with any firefighting activities of the United States of America, Department of Interior, Bureau of Land Management, any similar agency, its agents or employees, to, from, in, on, at, around or about Airport.

Section 3.4 Access and Inspection. Notwithstanding anything to the contrary in this Lease, Landlord and its agents, representatives, and designees shall have the right to enter the Premises upon reasonable Notice (which shall be no less than 24 hours' prior written notice, unless emergency or exigent circumstances make such prior notice unreasonable in Landlord's discretion) to Tenant during regular business hours, and in accordance with Tenant's reasonable instructions, solely to: (a) ascertain whether Tenant is complying with this Lease; (b) cure Tenant's Defaults of which Landlord has given Tenant Notice pursuant to Section 18.1(d) of this Lease; (c) inspect the Premises and any Construction Work; (d) perform such tests, borings, and other analyses as Landlord shall have a reasonable factual basis to determine may be necessary or appropriate relating to the (non)compliance of the Premises with any Environmental Law or possible existence of Hazardous Substances on, at, or under the Premises; or (d) show the Premises to prospective purchasers or Transferees during the last two (2) years of the Term. In entering the Premises, Landlord and its designees shall not unreasonably interfere with

operations on the Premises and shall comply with Tenant's reasonable instructions, reasonable security measures and confidentiality requirements of any Subtenant. In exigent circumstances, as determined in Landlord's reasonable discretion, Landlord shall have immediate access to the Premises, the Building and other Improvements on the Land, with only such Notice, if any, as is reasonable in light of such circumstance, for the purpose of protecting the Airport and its operations. Tenant at all times shall designate and provide contact information for an emergency manager of the Premises, or acceptable security company, through whom Landlord shall have "24/7" emergency access to the Premises.

Section 3.5 Water. Landlord will allocate for Tenant's use in connection with the Purpose up to fifty (50) acre feet of water rights at no additional cost to Tenant, based on Tenant's demonstrated and actual need of same for Tenant's use in connection with the Purpose. Such allocations shall be available and come only from Landlord's banked water rights with the Truckee Meadows Water Authority. Landlord will retain ownership of all such water rights, and all water service credits, connection fees, will serve letters and all other entitlements and benefits accruing to the Premises with respect to such water shall be deemed an appurtenance to the Premises and shall revert to Landlord upon termination of this Lease without any charge from Tenant to Landlord, or payment to Tenant from Landlord, required therefore.

ARTICLE 4 RENT, FEES, CHARGES, RECORDS AND AUDIT.

Section 4.1 Security. To secure Tenant's payment of all rent, fees, and other charges due Landlord under this Lease, and to ensure Tenant's performance of all terms and conditions of this Lease, Tenant shall deliver to Landlord, not later than the Commencement Date, security in a form and amount satisfactory to Landlord to be held and applied by Landlord in accordance with the provisions of this Section 4.1 (in each instance and form, a "**Credit Enhancement**").

A. The Credit Enhancement shall be in the form of a payment bond, irrevocable letter of credit, or other third-party credit enhancement from a Lender, each as determined and approved by the Landlord. The Credit Enhancement shall (i) be in the aggregate amount of three (3) months' total Rent hereunder, (ii) be effective on or before the Rent Commencement Date, and (iii) be written for such duration and renewal as to ensure that the said security is available for payment upon any of Tenant's defaults for not less than three (3) months after the Expiration Date. Accordingly, the Credit Enhancement shall provide that it remains in full force and effect throughout the Term and for a period of ninety (90) days following the Expiration Date, and Tenant shall cause the Credit Enhancement to be continuously maintained in effect (whether through replacement, renewal, extension or so-called evergreen clauses) for such time period. The amount of the Credit Enhancement shall be subject to adjustment by Landlord pursuant to this Section 4.1. Paragraph B, and, in addition to all other provisions set forth herein, the Credit Enhancement shall comply with the following minimum requirements:

1. All payment bonds shall be issued by a surety or bonding company authorized to do business within the State of Nevada. The issuer of the bond shall be required to pay Landlord the amount of Tenant's default upon

presentation to the issuer of a statement signed by the President/CEO of Landlord stating the Tenant is in default of the provisions of this Lease and setting forth the amount of the default.

2. All letters of credit shall be issued by a federally chartered bank acceptable to Landlord having offices within the City of Reno, State of Nevada, unless specifically waived in writing by Landlord. All letters of credit must be irrevocable standby letters of credit and shall contain the following provisions: (a) only Landlord, its successors and assigns, shall be named as the beneficiaries; (b) partial and multiple drawings shall be permitted; (c) the letter of credit shall be available to the Landlord at sight drafts; (d) all monetary references shall be in United States currency; and (e) draws upon the letter of credit shall be allowed upon compliance with the following conditions: (1) the original of the letter of credit shall be presented to the issuing institution; and (2) the letter of credit shall be accompanied by a statement signed by the President/CEO of Landlord stating that the Tenant is in default of the provisions of this Lease and setting forth the amount of the draw.

All other provisions of the letter of credit shall be subject to Landlord's approval, which approval shall not be unreasonably withheld.

B. The amount of the Credit Enhancement shall be subject to review and adjustment by Landlord from time to time during the Term. Upon said review, Landlord may elect to require Tenant to increase the amount of the Credit Enhancement for any of the following reasons: if Tenant's financial obligation under this Lease has increased, whether by rent rate adjustments, increased activity or such other event or reason as determined reasonably by Landlord; if Tenant has failed to pay any rents, fees, charges or assessments when due (unless said default in payment is the subject of a bona fide dispute); or if Tenant's financial condition has changed since the Commencement Date to such extent that Landlord is reasonably concerned about Tenant's ability to perform its obligations hereunder. In no event will the security be reduced.

C. Notwithstanding the foregoing, if at any time during the Term, Tenant fails to make any payment due hereunder of any Rent, fee, charge or assessment (including, but not limited to, late payment charges and any and all costs of collection), and the same has not been cured according to the provisions of Section 18 hereof, then Landlord may make a demand upon the issuer for Tenant's unpaid obligations, without prior notice to Tenant. In such event, Tenant shall promptly ensure that the Credit Enhancement again satisfies the requirements hereof, including replacement of the amount drawn, and, Landlord, at its option, may require Tenant to deliver supplemental security to Landlord in an amount and in such form as Landlord deems necessary to protect Landlord against future defaults.

D. Within thirty (30) days following the Expiration Date, Landlord may make a demand upon the issuer of the Credit Enhancement for payment of any remaining unpaid obligation of Tenant, without notice to Tenant. Any such demand by

Landlord and payment by the issuing institution shall not serve to relive Tenant of its obligations hereunder or waive Landlord's rights and remedies under this Lease.

E. The proceeds of the Credit Enhancement shall constitute Landlord's sole and separate property (and not Tenant's property or the property of Tenant's bankruptcy estate). Landlord and Tenant acknowledge and agree (a) that in no event or circumstance shall the Credit Enhancement or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context ("**Security Deposit Laws**"), (b) that the Credit Enhancement (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (c) to waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Tenant hereby waives any provisions of law, now or hereafter in effect, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the security deposit only those sums reasonably necessary to remedy defaults of Tenant, it being agreed that the terms of this Lease shall govern the application of the proceeds of the Credit Enhancement.

Section 4.2 Rent. Commencing on the earlier to occur of (i) the first occurring issuance date of a Certificate of Occupancy for an Improvement (but in any event no later than the date Tenant first occupies an Improvement or places same into service), or (ii) January 1, 2020 (the "**Rent Commencement Date**"), Tenant shall pay Landlord, without notice or demand, in lawful money of the United States of America, a net annual rental (the "**Fixed Rent**") of Five Hundred Nine Thousand Six Hundred Fifty-Two Dollars (\$509,652) payable in twelve (12) equal monthly installments of Forty-Two Thousand four Hundred Seventy-One Dollars (\$42,471) ("**Fixed Monthly Rent**"), based on an initial agreed upon acreage factor of ninety (90) acres for the Land (the "Initial Acreage Factor") times Thirteen Cents (\$.13) per square foot of the Initial Acreage Factor. Fixed Rent shall continue to be determined in accordance with the Initial Acreage Factor until such time as Landlord and Tenant have agreed upon Tenant's development plan for Improvements for Tenant's development of the Land, at which time the Initial Acreage Factor will be adjusted to an acreage of the Land equal to (i) the surveyed gross acreage of the Land as described in Exhibit A attached hereto, less (ii) that portion of the Land that (a) will be and is dedicated to any public utility, (b) will be and is subject to a dedicated public right of way and (c) is covered by the "Phytoremediation Area" shown on Exhibit A-2 attached hereto, all as shown on a record of survey prepared by Tenant, at its cost, for Landlord's approval; and upon such approval the record of survey shall be recorded in Official Records, Washoe County, Nevada (as so determined and shown on such record of survey, the "Final Land Acreage"). Upon determination of the Final Land Acreage as above provided, the Fixed Rent then in effect shall be adjusted to an amount determined by multiplying the then square footage Fixed Rent rental rate times the square footage of the Final Land Acreage. Fixed Rent shall be subject at all times to adjustment as next provided in Section 4.3, regardless of whether the Initial Acreage Factor or the Final Land Acreage is then being used to determine Fixed Rent. Such Fixed Monthly Rent is subject to reallocation in the event of a partial assignment of this Lease pursuant to Section 15.1 of this Lease.

Section 4.3 Adjustment of Fixed Rent - Adjustment Each Second Year.

Fixed Rent shall be increased on each successive two-year anniversary date of the Rent Commencement Date throughout the Term (each such adjustment date, a "**Fixed Rent Adjustment Date**"). Such adjustments shall be determined in an amount derived by (i) assuming both a fixed two percent (2%) increase and a CPI comparison adjustment of the Fixed Rent for each Lease Year, commencing with the first (1st) anniversary of the first (1st) Lease Year, and continuing on the same day of each successive Lease Year, including the applicable Fixed Rent Adjustment Date, (ii) then determining the cumulative, compounded amount of such assumed two-year adjustments of Fixed Rent and then (iii) the lesser of such determined amounts shall be the new Fixed Rent rate as of the applicable Fixed Rent Adjustment Date. On each Fixed Rent Adjustment Date the Fixed Rent then in effect shall be adjusted in the manner provided in clauses (i) through (iii) above; provided, however, that there shall not be any decrease in the Fixed Rent on any Fixed Rent Adjustment Date.

Section 4.4 Fair Market Value Adjustments. On each successive ten-year anniversary of the Rent Commencement Date throughout the Term (each such date, a "**FMV Adjustment Date**"), the Fixed Rent then in effect shall be adjusted to an amount equal to the fair market rental value of the Land as of the FMV Adjustment Date, as provided below in this Section 4.4 [not to include, however, the value of any Improvements owned by the Tenant that are installed or erected on the Premises according to the terms of this Lease in determining such fair market value; provided, however, that if Tenant constructs Improvements that are or will be formally funded by or dedicated, accepted and transferred to a state or local government or utility company, title or ownership to such Improvements shall no longer be considered as Improvements owned by Tenant, and shall be included in the determination of fair market rental value of the Premises as outlines in this Section 4.4.

Each ten-year fair market value adjustment of Fixed Rent in the manner set forth in this Section 4.4 shall be in lieu of the two-year adjustment that otherwise would occur pursuant to Section 4.3 above. On each FMV Adjustment Date, the then Fixed Rent shall be adjusted, if at all, pursuant to the following appraisal process:

A. The adjusted Fixed Rent shall be determined based on one or more appraisals to establish fair market rental value. The appraisal(s) shall comply with the Uniform Standards of Professional Appraisal Practice and any applicable Law, and will be completed by an appraiser with MAI (Member, Appraisal Institute) credentials licensed in Nevada, with at least ten (10) years of experience in the valuation of similar commercial properties located in the Reno-Sparks metropolitan area.

B. If Landlord and Tenant agree on a single appraiser, the cost of the appraisal shall be split on a 50%-50% basis between Landlord and Tenant, and the current fair market rental value shall be established by that appraisal; provided, however, that in no event shall adjusted Fixed Rent be less than the Fixed Rent in effect as of the FMV Adjustment Date. If Landlord and Tenant do not or cannot agree on a single appraiser, for whatever reason, then Landlord and Tenant shall each select a qualified appraiser and the costs of those appraisals shall be paid for by Landlord and Tenant, respectively. Each appraiser shall appraise the Premises and submit a determination of the fair market rental value in writing to both Landlord and Tenant. If the appraisal

reports contain fair market rental value determinations which are within ten percent (10%) of each other, then the fair market rental value shall be the arithmetic average of the values in the two (2) appraisals, provided that if the average is less than the Fixed Rent in effect as of the FMV Adjustment Date, then the adjusted Fixed Rent shall be the Fixed Rent in effect as of the FMV Adjustment Date. If the reports contain fair market rental value determinations which are not within ten percent (10%) of each other, and no agreement between Landlord and Tenant is then reached, the two appraisers shall select a third disinterested qualified appraiser to perform a third appraisal. The cost of the third appraisal shall be split on a 50%-50% basis between Landlord and Tenant. The arithmetic average of the valuations in the three appraisal reports shall be determinative as to the fair market rental value of the Premises; provided that in no event shall adjusted Fixed Rent be less than the Fixed Rent in effect as of the FMV Adjustment Date.

C. An adjustment of Fixed Rent under this Section 4.4 shall be effective on and after the FMV Adjustment Date, regardless of the date upon which the fair market rental value for the Premises is finally determined. If the Fixed Rent adjustment process is not completed before the applicable FMV Adjustment Date, Tenant shall continue to pay Fixed Rent at the rate then in effect immediately prior to the FMV Adjustment Date until the adjusted Fixed Rent is determined. Upon final determination of the adjusted Fixed Rent, Tenant shall promptly pay to Landlord the difference between the amount paid between the first calendar day immediately following the FMV Adjustment Date, and the amount of the Fixed Rent as adjusted for that period; provided that no late charge under Section 18.4 shall apply to any such difference timely paid following determination of the adjusted Fixed Rent. On the adjustment of the Fixed Rent under this Section and upon the request of either Landlord or Tenant, the parties shall acknowledge in writing the new Fixed Rent and Fixed Monthly Rent; provided, however, that the failure of either party to make such request, or acknowledge the new Fixed Rent or new Fixed Monthly Rent pursuant to such request, shall in no way or manner delay or impair the full applicability of such new Fixed Rent or new Fixed Monthly Rent as above provided in this Section 4.4.

Section 4.5 Payment; Proration; Etc. Tenant shall pay Fixed Rent in equal monthly installments in advance on the first (1st) day of each month. Rent for partial months as of the Rent Commencement Date or end of the Term shall be prorated daily. Tenant shall pay all Rent payable to Landlord by good and sufficient check payable to Landlord or by wire transfer, at such address as Landlord shall designate from time to time. Rent tendered by check shall be deemed paid only when honored by the institution upon which drawn. All delinquencies in the timely payment of Rent as and when due are subject to the operation and effect of Section 18.4 of this Lease with respect to Default Interest and late charges.

Section 4.6 Additional Rent. In addition to Fixed Rent, Tenant shall pay Landlord (or the appropriate third party, as applicable) all Additional Rent as and when due.

Section 4.7 No Offsets. Tenant shall pay all Rent without offset, defense, claim, counterclaim, reduction, or deduction of any kind whatsoever.

Section 4.8 Government Restriction on Rent. During any period when any Rent shall be or become uncollectible, reduced, or required to be refunded because of any rent control Law or other Law (a "**Rent Regulation Period**"), Tenant shall, at Landlord's expense, including reasonable legal fees, enter into such agreement(s) and take such other steps as Landlord may reasonably request and as may be legally permissible to permit Landlord to collect the maximum Rent that, from time to time during such Rent Regulation Period, may be legally permissible (and not in excess of the amounts then reserved therefor under this Lease to the extent then due and payable under this Lease). After any Rent Regulation Period: (a) Rent shall become and thereafter be payable in accordance with this Lease; and (b) Tenant shall promptly pay in full to Landlord, unless prohibited by Law, an amount equal to the excess, if any, of the following during the Rent Regulation Period: (1) the Rent that this Lease required Tenant to pay under the express terms of this Lease; less (2) the Rent Tenant actually paid.

Section 4.9 Additional Payments by Tenant.

A. **Landlord's Net Return.** This Lease shall constitute an absolutely "**net lease**". The Rent shall give Landlord an absolutely "net" return for the Term, free of any expenses or charges for the Premises, except as this Lease expressly provides. Tenant shall pay as Additional Rent and discharge (subject to Tenant's right of Contest as this Lease expressly provides), before failure to pay shall create a material risk of forfeiture or penalty, each and every item of expense, of every kind and nature whatsoever, related to or arising from the Premises, or by reason of or in any manner connected with or arising from the development, leasing, operation, management, maintenance, repair, use, or occupancy of, or Construction Work affecting, the Premises or any portion of the Premises. Notwithstanding anything to the contrary in this Lease, Tenant shall not be required to pay any of the following: (a) depreciation, amortization, financing or refinancing costs, management fees, or leasing expenses for the Fee Estate; (b) consulting, overhead, accounting, tax preparation, other professional fees, travel, legal and staff costs, bank service charges, and other costs incidental to Landlord's ownership of the Fee Estate and administration and monitoring of this Lease and not as a result of a Tenant Default; (c) any costs arising from or under any instrument or agreement affecting the Fee Estate but that is not a Permitted Exception and to which Landlord is a party and Tenant is not a party; (d) any Impositions, insurance premiums, utilities, operating expenses, or other costs related to the Premises that accrued before the Commencement Date; provided, however, that if any such accrual is payable in installments, then Tenant shall pay such amounts as are applicable to installments due and payable after, but only to the extent due and payable for the period after, the Commencement Date; (e) any sums expressly payable by Landlord under this Lease and (f) any costs related to the Baseline Condition (to the extent applicable to the Premises) as and to the extent provided in **Section 8.4.**

B. **Impositions.** During the Term (with daily proration for periods partially within the Term and partially outside the Term), Tenant shall pay and discharge as Additional Rent all Impositions, before failure to pay shall create a material risk to Landlord of forfeiture or penalty, subject however to Tenant's right of Contest as this Lease expressly provides. Tenant shall also pay all interest and penalties any Government assesses for late payment of any Imposition, except late payment that is

caused because Landlord failed to remit an Imposition (paid to Landlord by Tenant) in accordance with Tenant's reasonable instructions (provided they involve only ministerial functions) or failed to forward to Tenant within a reasonable time frame prior to its due date a copy of any applicable bill that Landlord receives. In the latter case Landlord shall pay such interest and penalties. Tenant shall, within a reasonable time after Notice from Landlord, give Landlord reasonable proof that Tenant has paid any Imposition(s) that this Lease requires Tenant to pay. Tenant shall have the sole right and authority to contest Impositions, in compliance with the Contest Conditions (as defined in Article 10). Tenant expressly acknowledges and agrees that Landlord has not, and does not, make any representation or warranty whatsoever concerning Impositions applicable to the Premises or Tenant's use thereof, including, and without limitation, the levy and assessment of ad valorem real property taxes in connection therewith.

C. **Assessments in Installments.** To the extent permitted by Law, Tenant shall have the right to apply to have any Imposition payable in installments. Tenant shall then pay and discharge only such installments as shall become due and payable during the Term.

D. **Direct Payment by Landlord.** If any Imposition or other Additional Rent must be paid directly by Landlord, then: (a) Landlord appoints Tenant as Landlord's attorney-in-fact for making such payment; and (b) if the payee nevertheless refuses to accept payment from Tenant, then Tenant shall Notify Landlord of such fact and shall pay such amount to Landlord in a timely manner accompanied by reasonable instructions on the further remittance of such payment. Landlord shall with reasonable promptness comply with Tenant's reasonable instructions. Landlord shall Indemnify Tenant against Landlord's failure to do so.

E. **Utilities.** Tenant shall arrange and pay for all fuel, gas, light, power, water, sewage, garbage disposal, telephone, and other utility charges, and the expenses of installation, maintenance, use, and service in connection with the foregoing, for the Premises during the Term. Landlord shall have absolutely no liability or responsibility in connection with any of the foregoing, except that Landlord will perform its obligations regarding any related Applications and Filings. Notwithstanding the foregoing to the contrary Landlord may, in its sole discretion, enter into a Water Requirements Agreements as a party thereto (as opposed to, for example, just consenting to, authorizing or approving a Water Requirements Agreement to be entered into by Tenant) as and to the extent required of Landlord as the fee owner of the Land, subject in each instance to Tenant's compliance with all terms and provisions of this Lease with respect to Water Requirements and Water Requirements Agreements. Any Water Requirements Agreement entered into by Landlord shall be subject to Tenant's reasonable approval, but in the absence of such approval Landlord will have no duty or obligation to enter into such Water Requirements Agreement, in which event Tenant shall have the use of the water rights that would be subject to such Water Requirements Agreement only as and to the extent allowed by the water service purveyor without such Water Requirements Agreement being entered into.

ARTICLE 5 USE AND OPERATION.

Section 5.1 Permitted Use. Tenant may use the Premises only for the development, construction, maintenance and operation of Improvements to be used for industrial, warehouse, distributing/flex space, assembly, Aeronautic Uses, light manufacturing, air cargo or logistics uses related thereto, and such other uses as may be approved by Landlord in Landlord's sole discretion (such allowed uses, the "**Purpose**"). In no event shall the foregoing obligate Tenant or its Subtenants to conduct business on the Premises. Any Leases to Subtenants shall be only in connection with, and for, such Purpose. Under no circumstances will any residential use or use restricted in connection with the then applicable FAA Requirements be allowed anywhere on the Premises. The exterior design of all Improvements, including the signage, landscaping, parking and other exterior elements on the site on which each Building is located must be approved by Landlord, which approval shall not be unreasonably withheld, provided they meet the Design Guidelines. Aeronautic Uses are subject to the written approval of Landlord as to each Person engaged in such uses under the auspices of this Lease or any Sublease under this Lease. Tenant and Subtenants engaged in Aeronautic Uses will be subject to the Minimum Standards developed and amended by Landlord from time to time. The selection of, and marketing to, FBO uses is specifically reserved to Landlord exclusively. In no event or manner shall the Purpose include any use generally associated with (1) the sale at retail to the public of pornographic materials, or the conduct of any illegal activities, (2) the placement of cell towers or antennae, except as approved and permitted by the Landlord in its sole and absolute discretion, (3) any activity that would interfere with the safe operation of the Airport per any Laws or Airport Rules and Regulations, or (4) the placement of billboards or other forms of outdoor advertising from which Landlord could otherwise derive revenue, all of which are specifically prohibited. Tenant shall not commit or permit any waste material or dispose of such materials in violation of any Laws to the Premises or any Improvements located thereon, except that the foregoing shall not in any way limit the right of Tenant, its agents, employees and subtenants, to demolish, renovate, rebuild, construct, modify, alter and improve, in whole or in part, at any time or from time to time, the Improvements now or hereafter located on the Premises, subject to and in full compliance with the terms and conditions of this Lease.

Section 5.2 Exclusive Control. Subject to the terms and provisions of this Lease, including Section 20 hereof, Tenant shall, subject to Tenant's compliance with all Laws, have exclusive control, possession, occupancy, use, and management of the Premises. Tenant may enter into, terminate, modify, amend, or waive any existing or future contracts relating to management or operation of the Premises and provision of services to the Premises. Any such contracts shall automatically expire on the Expiration Date. Tenant shall Indemnify Landlord for any claims relating to the control, possession, occupancy, and management of the Premises during the Term, subject only to the terms of this Lease. Without limiting the generality of the foregoing, Tenant is hereby granted the exclusive right, for the Term and as and to the extent provided in this Lease, to develop, for the Purpose, the Premises and to enter into Subleases with subtenants (although subleases may be termed "leases" in the actual Sublease). Tenant shall have the right, from time to time, to (i) construct Buildings or Improvements on or under the Premises, (ii) lease any portion of the Premises for the construction of Improvements or Buildings, (iii) grant such easements, rights and dedications that have been reasonably approved by Landlord and which Tenant has established to the Landlord's reasonable satisfaction are

necessary or desirable, and (iv) cause the recordation of such covenants, conditions and restrictions against the Premises which have been established by the Tenant with the Landlord's reasonable approval. Landlord shall sign any documents reasonably necessary to effect the aforementioned rights upon request of Tenant, at no liability, cost or expense to Landlord. Tenant may, from time to time during the Term, cause surveys to be prepared for the purpose of discretely delineating separate lease parcels (hereinafter "**Subparcels**" or a "**Subparcel**" in the singular), for one or more separate Buildings to be constructed thereon based upon the proposed development thereof by Tenant. Subparcels shall not cause, or be created in a manner so as to cause, a legal subdivision or parceling of the Premises. Landlord and Tenant shall, at the written request of Tenant, enter into a separate ground lease (a "**Subparcel Lease**") for each such Subparcel. Upon the execution of any Subparcel Lease, Landlord's and Tenant's respective rights and obligations shall then be removed from this Lease to the extent such rights and obligations to be removed from this Lease are expressly set forth and re-established pursuant to the applicable Subparcel Lease(s). All Subparcel Leases (i) shall be in the same basic form as this Lease and (iii) shall, in each instance, be entered into between the Authority and a Designated Affiliate. No Subparcel Lease shall be cross-collateralized or cross-defaulted with this Lease or any other Subparcel Lease. The Land area covered by a Subparcel Lease shall be deemed removed from the Land area of the Premises under this Lease following the effective date of the Subparcel Lease, and the Fixed Monthly Rent and Additional Rent payable by Tenant under this Lease shall be reallocated between this Lease and each Subparcel Lease, based on the relative resulting square footages of this Lease and the applicable Subparcel Lease. In no event shall any such reallocation of Fixed Monthly Rent or Additional Rent result in a reduction of the Fixed Monthly Rent nor Additional Rent which Landlord is entitled to receive under this Lease.

With respect to the development of the Land and any time requirements for Tenant's development and construction of Improvements for the Land, upon the occurrence of a change of circumstance as described in this paragraph, Tenant may request that Landlord grant up to an additional twelve (12) months to commence development of the Land, and Landlord agrees that it will not unreasonably withhold its consent to Tenant's request. A "change of circumstance" will be deemed to have occurred if the vacancy rate in the Reno-Sparks Nevada Metropolitan industrial property market is greater than fifteen percent (15%) for the two (2) consecutive quarters immediately prior to the report date of such vacancy rate as reported in the quarterly report published by the Reno Office of CBRE ("**CBRE Report**"). The schedule for Tenant's development of the Land will be reinstated effective on the earlier of (i) the date of the next CBRE Report indicating that the industrial vacancy has fallen below fifteen percent (15%) for two consecutive quarters or (ii) five (5) years from the first day the applicable "change of circumstance" is first deemed to occur as provided above in this paragraph.

Section 5.3 Management Fees. Tenant shall timely pay and discharge all fees, costs, and expenses related to or arising from the management or operation of the Premises and the provision of services to the Premises pursuant to agreements expressly entered into by and among Tenant and third parties.

Section 5.4 Safety Procedures and Fire Protection System. Tenant will comply with all fire safety rules, regulations and procedures in effect at the Airport and applicable to the Premises, including the installation of such extinguishing devices or fixtures on and in the Premises, including all Improvements thereto, as may be required by such fire safety

rules, regulations and procedures, and combustible/flammable liquid storage will meet applicable Uniform Fire Code requirements. Tenant shall, at its own cost and expense, maintain in good working order on the Premises a fire protection system, which Tenant shall cause to be certified as meeting all applicable fire and safety standards, at least annually, by a qualified fire protection system inspector, with a copy of each such certification provided to the Landlord.

Section 5.5 Premises Security. Tenant will comply with all rules and regulations imposed upon or required by Landlord as to Airport and airfield security to the extent applicable to the Premises. Tenant shall be responsible for providing its own security for the Premises, including but not limited to Improvements thereto, for any equipment, vehicles, materials and other personal property brought onto the Premises by or for Tenant, and for any services provided or activities conducted by Tenant or by anyone for Tenant under this Lease. Landlord shall be responsible (at its sole cost) for implementing security plans or installing and operating security systems to meet requirements of the United States Department of Homeland Security, Transportation Security Administration and its successors in function, if any, ("TSA"). Tenant's responsibility and agreement hereunder shall include, without limitation, compliance with any and all Laws governing airport and airfield security, as the same exist and as may hereafter be enacted, promulgated, augmented and amended.

ARTICLE 6 MAINTENANCE AND ALTERATIONS

Section 6.1 Obligation to Maintain. Except to the extent that (a) this Lease otherwise expressly provides otherwise or permits or (b) Tenant is performing Construction Work in compliance with this Lease, Tenant shall during the Term keep and maintain the Premises in good order, condition, and repair, and in compliance with Law. Without limiting the scope of the foregoing, Tenant's obligation in this regard includes a requirement to maintain the Premises in a manner that is consistent with good and prudent commercial practices for similar properties and uses of a first class nature (whether the maintenance required is structural or nonstructural, foreseen or unforeseen, capital or operating).

Section 6.2 Compliance. With respect to Tenant's use and occupancy of the Premises, Tenant shall at all times during the Term, at Tenant's expense and in all material respects, but subject to Tenant's right of Contest (a) comply fully with all Laws and Permitted Exceptions, and (b) procure and comply with all Approvals required by Law. If Tenant receives notice from any Government that Tenant lacks or is in violation of, any permit or license applicable to the Premises and Tenant's use thereof, Tenant shall provide Landlord with timely written notice of the same.

Section 6.3 Construction Work. Except as otherwise required in this Lease, and subject to Tenant's full compliance with Sections 6.4, 6.5, 6.6 and 6.7 below, Tenant may perform Construction Work, considered necessary or appropriate by Tenant. Tenant shall perform all Construction Work in full and timely compliance with Law. To the extent that Tenant commences any Construction Work, Tenant shall complete it with reasonable diligence and within a reasonable period. Tenant shall pay for all Construction Work when and as required, and all Construction Work shall be at Tenant's sole cost and expense. Tenant shall timely obtain and promptly deliver to Landlord all Approvals necessary or appropriate for any

Construction Work, and Landlord shall cooperate, to the extent necessary, in Tenant securing such Approvals.

Section 6.4 Performance and Payment Bonds. Before commencing any Construction Work, or any work required under a Water Requirements Agreement, whether on the Premises or off of the Premises for any infrastructure Improvements (excluding any Building or Building Equipment Improvements), Tenant shall furnish Landlord performance and payment bonds, approved as to form and surety by Landlord, with Tenant's contractor(s) as principals, each bond in a sum not less than one hundred percent (100%) of the amount of the contract securing Tenant's completion of the work in accordance with the plans and specifications approved in writing by Landlord. The bonds shall also guarantee the payment of wages of employees and benefits, subcontractor's contracts, materials, supplies and equipment used in the performance of the work, and shall protect Landlord from liability, losses or damages arising therefrom. Tenant shall ensure that Landlord is an additional obligee of its principal and surety under such bonds.

Section 6.5 Guidelines; Plans and Specifications. Tenant has the responsibility to insure that the design for all Improvements shall be in full accordance with all Laws, as well as all applicable FAA Requirements and, to the extent applicable (and not waived or modified by Landlord) the Design Guidelines. Before commencing construction of any Improvement other than Permitted Alterations, Tenant must submit to Landlord for its review a proposed development plan for such Improvement depicting the proposed location of the proposed Improvement on the Land. Before commencing any Construction Work on the Premises other than Permitted Alterations, Tenant shall furnish to Landlord a copy of all plans, specifications, drawings and surveys obtained by or for Tenant in connection with Construction Work for Improvements to the Premises for Landlord's review and prior written approval, which approval shall not be withheld unreasonably withheld, conditioned or delayed. Upon completion of any Construction Work, Tenant shall provide to Landlord final "AS BUILT" reproducible drawings, in digital format (preferably AutoCADDr14 or later compatible) reasonably satisfactory to Landlord in form and content of any and all Improvements (including all Permitted Alterations), not later than ninety (90) days following the latter of the completion, occupancy or initial use of such Improvements, whichever occurs first. Copies of any and all Certificates of Occupancy shall be delivered to Landlord promptly upon the issuance thereof. Tenant shall ensure that all Improvements, as constructed or installed, comply with the plans and specifications as approved by Landlord, and that any material defects, errors or omissions in construction are corrected, so that all Improvements are constructed or installations are made in a proper, workmanlike manner. Tenant's submittal hereunder shall include a completed Land Development Tenant Improvement Permit. As of the Effective Date, the current form of the Land Development Tenant Improvement Permit is attached hereto as **Exhibit E**, which form may be revised by Landlord from time to time during the Term in Landlord's discretion.

Section 6.6 Required Notice of Certificate of Occupancy. Tenant shall promptly Notify Landlord of the first date a Certificate of Occupancy is issued for a Building, in each instance.

Section 6.7 Notice of Nonresponsibility; Disinterested Owner. As applicable, and as permitted by Laws, before commencement of any work Landlord shall be

allowed to post the work site, in a conspicuous location, with an appropriate, statutory Notice of Nonresponsibility, setting forth that Landlord is not and will not be responsible for any materials furnished or labor performed on the Premises. Tenant shall notify Landlord at least ten (10) days before commencing any work, so that Landlord may record, in the Office of the Recorder of Washoe County, Nevada, a copy of the Notice of Nonresponsibility.

IN ADDITION, AND NOTWITHSTANDING ANY TERM OR PROVISION OF THIS LEASE TO THE CONTRARY, TO THE EXTENT THE COST OF SAME WOULD EXCEED \$5,000.00, TENANT SHALL NOT COMMENCE OR CONDUCT, OR ALLOW TO BE COMMENCED OR CONDUCTED, ANY PERMITTED ALTERATIONS, ANY OTHER CONSTRUCTION WORK, OR MAJOR WORK OF REPAIR OR REPLACEMENT AT ITS REQUEST OR AUTHORIZATION, OR ALLOW THE DELIVERY OF ANY MATERIALS IN CONNECTION THEREWITH, UNLESS AND UNTIL TENANT HAS COMPLIED WITH EACH AND EVERY TERM OF NEVADA REVISED STATUTES ("NRS") 108.2403, SUCH THAT LANDLORD ACHIEVES THE STATUS OF A "DISINTERESTED OWNER" AS DEFINED AND DESCRIBED IN NRS 108.234.

Section 6.8 Applications and Filings. Upon Tenant's request, Landlord shall, without cost or liability to Landlord, join in and execute any Application or Filing as Tenant may from time to time request, provided that: (a) such Application or Filing is in customary form and imposes no material obligations (other than obligations that are ministerial in nature or merely require compliance with Law) upon Landlord; (b) no uncured Event of Default exists; and (c) Tenant reimburses Landlord's Legal Costs, if any, incurred in performing under this Section.

Section 6.9 Ownership of Improvements During Term. All Improvements (other than FF&E) constructed, installed or erected upon the Land by Tenant during the Term, immediately upon completion thereof, shall be and become a part of and an appurtenance to the Land upon which they are erected or part of the Building to which they are affixed. The title or ownership of all such Improvements shall be deemed to remain with Tenant during the Term until the Expiration Date, and all benefits and burdens of ownership, including, without limitation, title, depreciation, tax credit and other tax items, shall be and remain in Tenant until the Expiration Date.

Section 6.10 Ownership of Improvements at Expiration. Upon the Expiration Date, or earlier termination of this Lease, Tenant shall not be required to remove any Improvements or alterations constructed by or on behalf of Tenant. Upon the Expiration Date, or earlier termination of this Lease, title and ownership in all Improvements, erected, installed or constructed by Tenant, shall automatically pass to Landlord without any further act on the part of either party, and Landlord shall have no responsibility, liability or obligation to pay Tenant for such Improvements.

Section 6.11 Environmental Regulatory Compliance. Notwithstanding any other provisions or terms of this Lease, and except only for Landlord's obligations pertaining to the Baseline Condition, as expressly set forth in Section 8.4, Tenant will comply fully with all applicable Environmental Laws including, but not limited to, the Federal Clean Water Act and Safe Drinking Water Act, the Environmental Laws of the State of Nevada and local ordinances governing environmental matters including, but not limited to, the national pollutant discharge

elimination system, flood hazard areas, drainageway protection standards, and erosion and sediment control, as might now or hereafter be defined by such Environmental Laws. Tenant acknowledges that it is familiar with and understands these Environmental Laws and acknowledges that it is aware and understands that there are significant penalties for submitting false information in connection therewith, including fines and imprisonment for knowing violations. Tenant shall undertake, at its sole cost, those Approval requirements, if any, directly related to its operations at the Premises.

ARTICLE 7 PROHIBITED LIENS

Section 7.1 Tenant's Covenant. If a Prohibited Lien is filed, then Tenant shall, within fifteen (15) days after receiving Notice from Landlord of such filing (but in any case prior to the commencement of foreclosure proceedings), commence appropriate action to cause such Prohibited Lien to be paid, discharged, bonded, or cleared from title under applicable Law. Tenant shall thereafter prosecute such action with reasonable diligence and continuity. If Landlord receives Notice of any such filing, then Landlord shall promptly Notify Tenant. If any Subtenant causes a Prohibited Lien, then Tenant's obligations under this Section shall be suspended so long as both: (a) Tenant is with reasonable diligence endeavoring to cause the Subtenant to remove the Prohibited Lien; and (b) the holder of the Prohibited Lien has not commenced foreclosure proceedings or any other action adverse to Landlord or the Premises.

Section 7.2 Protection of Landlord. NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT UPON CREDIT, AND THAT NO MECHANIC'S OR OTHER LIEN FOR ANY SUCH LABOR OR MATERIALS SHALL ATTACH TO OR AFFECT THE FEE ESTATE. NOTHING IN THIS LEASE SHALL BE DEEMED OR CONSTRUED IN ANY WAY TO CONSTITUTE LANDLORD'S CONSENT OR REQUEST, EXPRESS OR IMPLIED, BY INFERENCE OR OTHERWISE, TO ANY CONTRACTOR, SUBCONTRACTOR, LABORER, EQUIPMENT OR MATERIAL SUPPLIER FOR THE PERFORMANCE OF ANY LABOR OR THE FURNISHING OF ANY MATERIALS OR EQUIPMENT FOR ANY CONSTRUCTION WORK, NOR AS GIVING TENANT ANY RIGHT, POWER OR AUTHORITY TO CONTRACT FOR, OR PERMIT THE RENDERING OF, ANY SERVICES, OR THE FURNISHING OF ANY MATERIALS THAT WOULD GIVE RISE TO THE FILING OF ANY LIENS AGAINST THE FEE ESTATE.

ARTICLE 8 HAZARDOUS SUBSTANCES

Section 8.1 Restrictions. Tenant shall not cause or permit to occur on, under or at the Premises during the Term: (a) any violation of any Environmental Law; or (b) the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance, or the transportation to or from the Premises of any Hazardous Substance, unless both: (i) reasonably necessary and customary for the conduct of Tenant's business in accordance with customary industry standards for the Purpose, or to operate and maintain the Premises for uses this Lease permits consistent therewith and (ii) in full compliance with all applicable Environmental Laws. Without limiting the foregoing, only persons who meet

"Landlord's commercially reasonable requirements" and comply with Laws will be allowed to conduct business on the Premises or elsewhere at the Airport to receive Hazardous Substances for shipping or storage. As used in this Section 8.1 above, "Landlord's commercially reasonable requirements" includes those criteria established by Landlord with notice to Tenant based on the following factors: (i) the nature and amount of the specific Hazardous Substance(s) involved, (ii) the risk posed to human health, the Premises, the Airport or the environment by the specific Hazardous Substance(s) involved if not handled, stored or disposed of properly, (iii) the specific area within the Premises or the Airport in which the Hazardous Substance(s) is to be handled, stored or located, and (iv) the compliance history of Tenant with Law, the Environmental Laws or other terms and conditions of this Lease relating to Hazardous Substance(s). Tenant, its agents, employees, invitees and licensees including, but not limited to, any Subtenant, shall handle such articles or materials compliant with all Environmental Laws. To the extent required by Law, Tenant shall maintain written procedures for handling and disposing of Hazardous Substances. Tenant shall make such written procedures, if any are so required, available for Landlord's review upon request. As and to the extent required by Law, Tenant shall operate and maintain, in good working condition and at its cost, appropriate, adequate facilities for separating, neutralizing and treating any sanitary and/or industrial waste, foreign materials and Hazardous Substances, and for the proper disposal thereof, as required by Environmental Law.

Section 8.2 Notice of Action. Tenant shall immediately notify Landlord in writing of: (a) any environmental enforcement, clean-up, removal or other action proposed, instituted or completed pursuant to any federal, state or local law; (b) any claim made by any person against Tenant for damages, contribution or cost recovery resulting from or claimed to result from the presence of a Hazardous Substances; (c) any occurrence which might give rise to or result in such a claim; and/or (d) reports to any regulatory agency arising out of or in connection with the delivery to, storage on or removal from the Premises of any Hazardous Substances including, but not limited to, any complaint, notice, warning or alleged violation in connection therewith. Tenant shall provide Landlord with copies of all non-privileged or non-confidential documentation relating to the foregoing.

Section 8.3 Consent Decree. Landlord is a party to a certain Consent Decree, incorporated herein, entered January 31, 2000, to settle an action filed in the United States District Court for the District of Nevada and captioned Nevada Division of Environmental Protection (NDEP) vs. United States of America, et al., No. CV-N-98-034-DWH (RAM), to which Landlord was a party. The Decree established terms for certain environmental remediation of premises at and/or about the Airport. The Premises may be affected by the terms of the Decree. Landlord (and not Tenant) shall be responsible for any Landlord obligations set forth in such Decree and Landlord shall indemnify and hold Tenant harmless in connection with any obligation which any third party imposes upon Tenant or the Premises on account of such Decree.

Section 8.4 Compliance; Clean-Up. Subject to Landlord's obligations below with respect to the Baseline Condition, Tenant shall, at Tenant's expense, as to all Environmental Law matters now or hereafter existing: (a) comply with all applicable Environmental Laws and, to the extent required by Environmental Laws, clean-up any Hazardous Substance Discharge on, at, or under the Premises (but with respect to any such clean-up only to the extent caused or suffered to be caused by Tenant); (b) make all submissions to, deliver all information required

by, and otherwise fully comply with all requirements of any Government arising under Environmental Laws to the extent relating to any violation of Environmental Laws arising out of Tenant's possession, use or operation of the Premises; (c) if any Government requires any clean-up plan or clean-up measures because of a Hazardous Substances Discharge caused or suffered to be caused by Tenant, prepare and submit the required plans and all related bonds and other financial assurances; (d) promptly and diligently carry out all such clean-up plans; (e) Indemnify Landlord against any Hazardous Substances Discharge caused or suffered to be caused by Tenant; and (f) make available to Landlord promptly upon request any and all submissions, instruments and materials relating to such Environmental Law matters. Any party's obligations under this Section shall not limit such party's rights against third parties. A phase 1 environmental report previously was prepared for the Premises and/or other property in the area of the Premises as follows: Phase 1 Environmental Site Assessment, Portions of APNS: 086-240-11 and 086-850-03 at the Reno-Stead Airport, City of Reno, Washoe County, Nevada, dated October 30, 2014, and prepared by **McGinley & Associates** (the "**Phase 1 Report**"). Those specific items of environmental contamination of the Premises disclosed by the Phase 1 Report, if any, are the "**Baseline Condition**." Notwithstanding any other term or provision of this Lease, Landlord agrees to and shall, except to the extent the Baseline Condition is exacerbated by the negligence or intentional misconduct of Tenant, reimburse Tenant for its commercially reasonable and actual out-of-pocket costs and expenses incurred and paid to the extent required by Environmental Laws or any Leasehold Mortgagee for the remediation and clean-up of the Baseline Condition. Except for Landlord's obligations with respect to the Baseline Condition as above provided (which obligations will be all of Landlord's obligations to Tenant with respect to the matters covered by the Baseline Condition and any and all other violations of Environmental Laws and the presence of Hazardous Substances with respect to the Premises as of the Commencement Date) nothing in this Section 8.4 otherwise shall be in derogation of Tenant's rights and remedies with respect to any Environmental Substance Discharge to the extent caused by Landlord after the Commencement Date.

Section 8.5 SPCC.

A. **Landlord Permit.** Landlord is subject to federal storm water regulations, 40 C.F.R. Part 122, and, as applicable, state storm water regulations provided by the Nevada Water Pollution Control Law set forth in NRS 445.131 - 445.354, inclusive. Landlord has taken steps necessary to apply for or obtain a storm water discharge permit as required by the applicable regulations for the Airport, which might include or affect the Premises. The storm water discharge permit issued to Landlord might name Tenant as a co-permittee. Cooperation is necessary to ensure compliance with storm water discharge permit terms, and as well as to ensure safety, and to minimize costs and impacts to operations.

B. **Permit Compliance.** Landlord will provide Tenant with written notice of those storm water discharge permit requirements, if any, that Tenant must perform including, but not limited to: certification of non-storm water discharges; collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of good housekeeping measures and BMP; and maintenance of necessary records. Such written notice shall include applicable deadlines. Within fifteen (15) days of Tenant's receipt of such written notice, it shall notify Landlord

in writing of its dispute of any permit requirement it has been directed to undertake and the reasoning and justification as a basis for such dispute. Tenant's failure to provide such timely notice shall be its assent to undertake the required performance. If Tenant provides Landlord with timely written notice of its dispute and justification therefor, Landlord and Tenant shall negotiate a prompt resolution of their differences. Tenant will not object to written notice from Landlord for purposes of delay or of avoiding compliance. Tenant shall undertake, at its sole cost, those permit requirements, if any, directly related to its operations, for which it received written notice from Landlord. Tenant shall meet any and all deadlines imposed on or agreed to by Landlord and Tenant. Time is of the essence in complying with the terms hereof.

Landlord shall provide Tenant, upon written request, with any non-privileged information collected and submitted to any governmental entity pursuant to applicable storm water regulations. The terms of Landlord's storm water discharge permit might change from time to time, and Landlord shall be Tenant's agent solely to represent its interests concerning permit modifications by the pertinent regulatory agencies, provided that Landlord shall first fully communicate the issues and consult with Tenant. Landlord will give Tenant written notice of any violation by Tenant of Landlord's storm water discharge permit or of the terms of this Section 8.5, and Tenant shall undertake immediately and pursue diligently the cure thereof. If Tenant fails to cure any violation, or if such violation is material and of a continuing nature, Landlord may seek any and all remedies provided herein or by Law.

ARTICLE 9 INDEMNIFICATION; LIABILITY OF LANDLORD

Section 9.1 Obligations. Tenant shall Indemnify Landlord (and all Persons deemed a part of, Affiliated with, responsible for, representing or employed by Landlord) against any: (a) negligent act or omission of Tenant (and anyone claiming by or through Tenant) or its or their partners, members, directors, officers, or employees; and (b) breach or default of Tenant under this Lease. In addition, Tenant shall Indemnify Landlord against all the following matters during the Term and so long as Tenant remains in possession after the Expiration Date: (i) any Applications and Filings entered into at Tenant's request; (ii) the use, occupancy, management and operation of the Premises; (iii) any Construction Work and any agreements made by Tenant or anyone claiming through Tenant regarding Construction Work; (iv) the condition of the Premises or of any vaults, tunnels, passageways or space created by Tenant under, adjoining or appurtenant to the Premises; (v) any accident, injury or damage whatsoever caused to any person or property in or on the Premises; (vi) all obligations and liabilities incurred by Landlord as a contracting party under any Water Requirements Agreements, it being expressly understood and agreed by Tenant that Tenant, and not Landlord, will bear the responsibility and duty to perform Landlord's duties and obligations under Water Requirements Agreements, as Landlord will execute same only as an accommodation to Tenant in each instance; and (vii) any Hazardous Substances Discharge occurring from and after the Commencement Date by Tenant or any Tenant Parties (as defined bellow) and not Landlord's responsibility as provided above. Notwithstanding anything to the contrary in this Lease, Tenant shall not be required to Indemnify Landlord regarding Landlord's intentional wrongdoing, or Landlord's grossly negligent acts or omissions and in no event shall Tenant's indemnity obligations extend to any loss of business or loss of profits damages which may be suffered by Landlord.

Section 9.2 Liability of Landlord. During the Term: (a) Tenant is and shall be in exclusive control and possession of the Premises; and (b) Landlord shall not be liable for any injury or damage to any property (of Tenant or any other Person) or to any person occurring on or about the Premises, unless caused by Landlord's intentional wrongdoing, or Landlord's negligent act or omission. Landlord's right to enter and inspect the Premises is intended solely to allow Landlord to ascertain whether Tenant is complying with this Lease and (to the extent permitted by this Lease) to cure any Default. Such provisions shall not impose upon Landlord any liability to third parties, but nothing in this Lease shall be construed to exculpate, relieve or Indemnify Landlord from or against any liability of Landlord: (a) to third parties existing at or before the Commencement Date; or (b) arising from Landlord's intentional wrongdoing or gross negligence.

Section 9.3 Indemnification Procedures. Wherever this Lease requires an Indemnitor to Indemnify an Indemnitee:

A. **Prompt Notice.** The Indemnitee shall give the Indemnitor prompt Notice of any claim. To the extent, and only to the extent, that both (a) the Indemnitee fails to give prompt Notice and (b) such failure materially prejudices the Indemnitor, the Indemnitor shall be relieved of its indemnity obligations under this Lease regarding such claim.

B. **Selection of Counsel.** Landlord shall select counsel, subject, however, to the Indemnitor's insurance carrier required selection thereof, which selection shall be deemed satisfactory. Even though the Indemnitor shall defend the action, the Indemnitee may, at its option and its own expense, engage separate counsel to advise it regarding the claim and its defense. Such counsel may attend all proceedings and meetings. The Indemnitor's counsel shall actively consult with the Indemnitee's counsel. The Indemnitor and the Indemnitor's counsel shall, however, fully control the defense.

C. **Settlement.** The Indemnitor may, with the consent of the Indemnitee, not to be unreasonably withheld, settle the claim. The Indemnitee's consent shall not be required for any settlement by which: (w) the Indemnitor procures (by payment, settlement, or otherwise) a full release of the Indemnitee by which the Indemnitee is not required to make any payment whatsoever or otherwise perform any duty or obligation to the claimant, (x) neither the Indemnitee nor the Indemnitor on behalf of the Indemnitee makes any admission of liability, (y) the continued effectiveness of this Lease is not jeopardized in any way, and (z) the Indemnitee's interest in the Premises is not jeopardized in any way.

D. **Insurance Proceeds.** The Indemnitor's obligations shall be reduced by net insurance proceeds actually collected by the Indemnitee on account of, and applied to the satisfaction of, the matter giving rise to the indemnification.

ARTICLE 10 RIGHT OF CONTEST

Section 10.1 Tenant's Right; Contest Conditions. Notwithstanding anything to the contrary in this Lease, Tenant shall have the right to contest, at its sole expense, by appropriate legal proceedings diligently conducted in good faith, the amount or validity of any Imposition or Prohibited Lien; the valuation, assessment, or reassessment (whether proposed, phased, or final) of the Premises for purposes of Impositions; the amount of any Imposition; the validity of any Law or its application to the Premises; the terms or conditions of, or requirements for, any Approval; or the validity or merit of any claim against which this Lease requires Tenant to Indemnify Landlord (any of the foregoing, a "**Contest**"). Tenant may defer payment or performance of the contested obligation pending the outcome of the Contest, provided that Tenant causes the following conditions (collectively, the "**Contest Conditions**") to remain satisfied:

A. **No Criminal Act.** Such deferral or noncompliance shall not constitute a criminal act on the part of Landlord or subject Landlord to a material risk of any fines or penalties, other than civil penalties for which Tenant has given Landlord a bond, letter of credit, or other security reasonably satisfactory to Landlord (the "**Contest Security**") in an amount equal to the reasonably estimated amount of such civil penalties.

B. **No Liability.** Such deferral or noncompliance will not create a material risk of a lien, charge, or other liability of a material nature against the Fee Estate, unless Tenant has given Landlord Contest Security equal to the reasonably estimated amount of such lien, charge, or other liability.

C. **No Forfeiture.** Such deferral or noncompliance will not place the Fee Estate in material danger of being forfeited, impaired or lost.

D. **No Cost to Landlord.** Such Contest shall be without cost, liability, or expense to Landlord.

E. **Diligence.** Tenant shall prosecute such Contest with reasonable diligence and in good faith.

F. **Payment.** If required for such Contest, Tenant shall have paid the Contested Impositions or other matter.

G. **Collection of Impositions.** If such Contest relates to an Imposition, then such Imposition shall have been paid under protest, if allowed, or the Contest shall suspend the collection of the contested Imposition from Landlord and the Fee Estate.

H. **No Tax Deed.** If, at any time, payment of any Imposition is necessary to prevent the imminent (i.e., within 30 days) delivery of a tax deed conveying the Fee Estate or any portion thereof as a result of nonpayment of Impositions, then Tenant shall pay or cause to be paid the sums in sufficient time to prevent delivery of such deed.

I. **No Default.** No Event of Default shall exist under this Lease at the time of or any time during such Contest.

J. **Named Parties.** If Landlord has been named as a party in any action, then at Landlord's request Tenant shall cause Landlord to be removed as such party, and Tenant substituted in Landlord's place, if permissible under the circumstances.

Section 10.2 Landlord Obligations and Protections. Landlord need not join in any Contest unless (a) Tenant has complied with the Contest Conditions and (b) such Contest must be initiated or prosecuted in Landlord's name. In such case, Landlord shall cooperate at Tenant's cost and expense, as Tenant shall reasonably request, to permit the Contest to be prosecuted in Landlord's name. Landlord shall give Tenant any non-privileged documents, deliveries, and information in Landlord's control and reasonably necessary for Tenant to prosecute its Contest. Landlord shall otherwise assist Tenant in such Contest as Tenant shall reasonably require. Tenant shall pay all reasonable costs and expenses, including Legal Costs, incident to any Contest. Tenant shall, upon Landlord's request, advance (when Landlord incurs them) any actual, documented and reasonable, actual third party out-of-pocket costs and expenses, including reasonable Legal Costs, that Landlord incurs or reasonably anticipates incurring, for Tenant's Contest and Landlord's assistance with such Contest. Tenant shall Indemnify Landlord regarding Tenant's Contest.

Section 10.3 Miscellaneous. Tenant shall be entitled to any refund of any Imposition (and penalties and interest paid by Tenant), to the extent attributable to periods within the Term, whether such refund is made during or after the Term. Upon termination of Tenant's Contest of an Imposition, Tenant shall pay the amount of such Imposition (if any) as has been finally determined in such Contest to be due, to the extent attributable to periods within the Term, together with any costs, interest, penalties, or other liabilities in connection with such Imposition. Upon final determination of Tenant's Contest of a Law by a court of competent jurisdiction, Tenant shall comply with such final determination. So long as the Contest Conditions remain satisfied, Landlord shall not enter any objection to any Contest. Landlord may contest any matter for which Tenant is entitled to (but does not) prosecute a Contest, but only if: (a) Landlord Notifies Tenant of Landlord's intention to do so; and (b) Tenant fails to commence such Contest within forty-five (45) days after receipt of such Notice.

ARTICLE 11 INSURANCE

Section 11.1 Tenant to Insure. Tenant shall, at its sole expense, during the Term, maintain the following insurance (or its then reasonably available equivalent):

A. **Commercial General Liability ("Liability Insurance")** insurance against claims for personal injury, death, or property damage occurring upon, in, or about the Premises or adjoining streets and passageways, providing coverage for a minimum combined single limit of \$5,000,000.00 for any one accident; and

B. **Property Liability ("Property Insurance")** insurance providing coverage for the Premises and the Building, and all Building Equipment at or in the

Premises, against loss, damage, or destruction by fire and other hazards encompassed under the broadest form of property insurance coverage then customarily used for like properties in the County from time to time during the Term, in an amount equal to the replacement value (without deduction for depreciation) of the insurable Building, Improvements and Building Equipment (excluding excavations and foundations) located on the Premises and in any event sufficient to avoid co-insurance, with "ordinance or law" coverage; such insurance may contain a deductible clause not exceeding \$25,000.00, subject to CPI adjustments over the Term as reasonably determined by Landlord; to the extent customary for like properties in the County at the time, such insurance shall include an "increased cost of construction" endorsement; and an endorsement covering demolition and cost of debris removal. Property Insurance shall also include rental or business interruption insurance in an amount at least equal to twelve (12) times monthly Fixed Rent and Impositions.

C. **Causes of Loss – Special Form Property Insurance** upon property of every description and kind owned by Tenant and located in the Premises, or for which Tenant is legally liable, or which constitute improvements installed by or on behalf of Tenant, including, without limitation, Tenant's furnishings, fixtures and equipment. Such insurance shall be in an amount equal to one hundred percent (100%) of the full insurable replacement value of such property. The proceeds of such insurance shall be used for the repair and replacement of the property insured. Landlord shall not be liable for any damage to Premises improvements or for damage to any personal property brought onto the Premises.

D. **Automobile Liability** policy, (including bodily injury and property damage), covering owned, non-owned and hired automobiles for use under this Lease, with minimum limit of \$5,000,000.00 combined single limit per occurrence.

E. **Workers' Compensation Insurance and Employer's Liability** coverage shall be in accordance with the laws of the State of Nevada applicable to all employees.

F. **Insurance Requirements Are Not Limits.** The foregoing requirements and any approval or waiver of said insurance by the Landlord are not intended to and will not in any manner limit or qualify Tenant's liabilities, whether imposed by applicable law or assumed pursuant to the Agreement including, but not limited to, the provisions concerning indemnification as herein described. The Landlord in no way warrants that the minimum limits contained herein are sufficient to protect Tenant from liabilities that might arise out of the performance of the work under the Agreement by Tenant or Tenant's agents, representatives, employees or subcontractors, and Tenant is free to purchase such additional insurance as may be determined necessary.

Section 11.2 Nature of Insurance Program. All insurance policies this Lease requires shall be issued by carriers that: (a) have a policyholders' rating of "B+-VIII" or better, based on the latest rating publication of Property and Casualty Insurers by A.M. Best Company (or its equivalent if such publication ceases to be published) and (b) are lawfully doing business in the State; and shall be issued on an "occurrence" and not "claims made" basis. Tenant may

provide any insurance and/or any aspect of insurance under a "blanket" or "umbrella" insurance policy, provided that (i) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Premises, which amount(s) shall equal or exceed the amount(s) required by this Lease and shall not be reduced for claims made for other properties and (ii) such policy otherwise complies with this Lease.

Section 11.3 Policy Requirements and Endorsements. All insurance policies this Lease requires shall contain (by endorsement or otherwise) the following provisions:

A. **Insureds.** Liability Insurance policies shall name Landlord as an "additional insured" and all Lenders permitted by this Lease as "additional insureds." Property Insurance policies shall name Landlord and Tenant as loss payees as their interests may appear, and each Lender permitted by this Lease under a standard noncontributing lender clause. Notwithstanding anything to the contrary in this Section, all Property Insurance Proceeds shall be paid and applied as provided in the applicable Approved Loan Documents.

B. **Primary Coverage.** All policies shall be written as primary policies not contributing to or in excess of any coverage that Landlord may carry.

C. **Contractual Liability.** Liability Insurance policies shall contain contractual liability coverage, for Tenant's indemnity obligations under this Lease, to the extent covered by customary contractual liability insurance coverage. Tenant's failure to obtain such contractual liability coverage shall not relieve Tenant from any indemnity obligation under this Lease.

D. **Notice to Landlord.** The insurance carrier shall give Landlord thirty (30) days' prior Notice of cancellation or nonrenewal.

E. **Ordinance Coverage.** Property Insurance Policies shall contain "ordinance or law" coverage.

All policies (primary and excess) and Certificates of Insurance provided by Tenant to Landlord shall evidence the proper limits of coverage as set forth herein. Each policy shall be and shall specifically provide that the insurance afforded by such policy is primary coverage for all claims and losses arising from the use, occupancy and operation of the Premises and the Airport, and that any insurance carried by Landlord, its Trustees, agents or employees shall be excess and non-contributing. All policies shall name, and Certificates shall show by separate endorsement, that policies name Landlord, its Trustees, officers, agents and employees as additional insureds using ISO Endorsement Form CG2011 (Managers or Lessors of Premises) or similar document. Each policy shall contain an endorsement that the insurer waives its right to subrogation as described below. Landlord has and hereby reserves for all purposes of this Lease the right to revise the insurance requirements set forth herein as to amounts, limitations and types of coverage, and Tenant hereby agrees to comply with such revised requirements upon notice from Landlord.

Section 11.4 Deliveries to Landlord. On the Commencement Date, and no later than thirty (30) days before any Liability Insurance, Property Insurance or other required

insurance expires or is cancelled, Tenant shall deliver to Landlord certificates of insurance evidencing Tenant's maintenance of all insurance this Lease requires, in each case providing coverage for at least one year from the date delivered.

Section 11.5 Waiver of Certain Claims. To the extent that Landlord or Tenant purchases any policy of property insurance, the party purchasing such insurance (the "**Insurance Purchaser**") shall attempt to cause the insurance carrier to agree to a Waiver of Subrogation, if not already included in the policy. If any insurance policy cannot be obtained with a Waiver of Subrogation, or a Waiver of Subrogation is obtainable only by paying an additional premium, then the Insurance Purchaser shall so Notify the other party. The other party shall then have ten (10) Business Days after receipt of such Notice either to (a) direct the Insurance Purchaser to place such insurance with a company that is reasonably satisfactory to the other party and that will issue the insurance with a Waiver of Subrogation at no greater or additional cost, or (b) agree to pay the additional premium if such a policy can be obtained only at additional cost. To the extent that the parties actually obtain insurance with a Waiver of Subrogation, the parties release each other, and their respective authorized representatives, from any claims for damage to any person or the Premises that are caused by or result from risks insured against under such insurance policies, but only to the extent of the available insurance proceeds.

Section 11.6 No Representation. Neither party makes any representation that the limits, scope or forms of insurance coverage this Lease requires are adequate or sufficient.

Section 11.7 Additional Policies and Increased Limits. During the Term, Landlord may require Tenant to acquire and maintain in accordance with the terms and provisions of this Section 11 such additional insurance policies providing such additional coverages as Landlord determines is prudent and commercially reasonable for similar tenants, uses, improvements, premises and lease relationships; and Landlord may require that Tenant increase the limits of any insurance required pursuant to this Article 11 if Landlord determines that such increases are prudent and commercially reasonable in the reasonable exercise of its discretion.

Section 11.8 Construction and Contractor's Insurance. For and during any design or Construction Work with respect to the Premises, Tenant shall maintain, and shall require its contractor(s) to maintain, insurance for design, construction and installation of Improvements, protecting Landlord and Tenant, in amounts reasonably acceptable to Landlord (refer to **Exhibit C**). Such insurance shall include, without limitation and as applicable, comprehensive or commercial general liability, automobile liability, worker's compensation, employer liability, industrial aid and builder's risk equal to the maximum probable loss covering the design and construction and all materials and equipment to be used therefor. Without limiting the foregoing, in any contract pertaining to improving or equipping the Premises, Tenant shall require its contractor(s) to cause Landlord, and Landlord's Trustees, officers, agents and employees to be insured against (as additional insureds) the risk of claims or demands by third persons against the same. Such insurance shall be in a minimum amount of One Million and No/100ths Dollars (\$1,000,000.00) combined single limit per occurrence for bodily injury and property damage liability. Such insurance required under this Section 11.8 shall be in a form acceptable to Landlord.

ARTICLE 12 LOSSES AND LOSS PROCEEDS.

Section 12.1 Notice. If either party becomes aware of any damage or destruction (including any damage or destruction for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, affecting any or all Improvements located on or constituting part of the Premises (a "**Casualty**") or any actual, threatened, or contemplated (a) temporary or permanent taking of (or of the right to use or occupy) all or part of the Premises by condemnation, eminent domain, or any similar proceeding; and/or (b) any action by any Government not resulting in an actual transfer of an interest in (or of the right to use or occupy) all or part of the Premises but creating a right to compensation, such as a change in grade of any street upon which the Premises abut (if either (a) or (b), a "**Condemnation**"), then such party shall promptly Notify the other.

Section 12.2 Effect of Casualty. If any Casualty occurs, then: (a) no Rent shall abate; (b) this Lease shall not terminate or be impaired; and (c) Subject to the rights of any Lender with respect to Loss Proceeds Loan Documents for which Landlord's approval has been obtained as provided in Section 16.2, including the right to apply the Tenant Property Insurance Proceeds to be deposited with Lender and applied in accordance with the applicable provisions of the Loss Proceeds Loan Documents, Tenant shall accomplish a Restoration (below defined) with reasonable promptness (as measured by prevailing industry standards in Northern Nevada for the specific Restoration at issue) regardless of cost. If, however, the Casualty is a Substantial Casualty, then Tenant may, by Notice to Landlord, given within thirty (30) days after such Substantial Casualty, terminate this Lease effective thirty (30) days after such Notice, provided that Tenant, subject to the rights of any Lender (which shall take priority), assigns to Landlord all Property Insurance Proceeds (and rights thereto) arising from the Casualty. "**Substantial Casualty**" shall mean a Casualty that: (a) renders twenty-five percent (25%) or more of the Building or essential Improvements not capable of being used or occupied; (b) occurs less than fifteen (15) months before the end of the Term and renders ten percent (10%) or more of the Premises not capable of being used or occupied, or materially and adversely affects the access to and from the Premises; or (c) pursuant to Law, prevents the Premises from being Restored to substantially the same bulk, and for the same use(s), as before the Casualty.

Section 12.3 Adjustment of Claims; Use of Property Insurance Proceeds. Unless Tenant has validly elected a Casualty Termination, Tenant shall be solely responsible for adjusting any insurance claim, subject to rights of Lender(s). If the reasonably estimated cost of the Restoration is less than \$2,000,000.00, Property Insurance Proceeds shall be disbursed to Tenant to be used for the repair and restoration of the Premises. If the reasonably estimated cost of the Restoration exceeds \$2,000,000.00, then subject to any Lender's loan documents, Property Insurance Proceeds shall be disbursed to Depository, to be released in installments for the safeguarding, clearing, repair, restoration, alteration, replacement, rebuilding, and reconstruction of the damaged or remaining Improvements substantially consistent with their condition before the Loss, in compliance with this Lease, subject to any changes in Law that would limit the foregoing (in each instance, "**Restoration**"), provided that the amount of the Property Insurance Proceeds, together with any additional deposit made by Tenant (collectively, "**Restoration Funds**") is sufficient to accomplish the Restoration. To the extent provided in Approved Loan

Documents, Lender shall have the right to control the disbursement of the insurance proceeds. To obtain each such disbursement, Tenant shall deliver to Depository:

A. **Architect's Certificate.** A certificate of Tenant's licensed architect, confirming that in such architect's professional judgment: (a) the sum then being requested is then properly due and payable to contractors, subcontractors, or other Persons providing materials or services for the Restoration; (b) the Restoration is proceeding in substantial compliance with the applicable plans and specifications and otherwise in a satisfactory manner; (c) the sum then being requested does not exceed the amount then due and payable; (d) except in the case of the final disbursement of Restoration Funds, the remaining Restoration Funds after such disbursement are reasonably anticipated to be sufficient to pay for the remaining Restoration yet to be performed; and (e) in the case of the final disbursement of Restoration Funds, Tenant has substantially completed Restoration and has obtained a temporary certificate of occupancy for the Restoration to the extent Law requires and delivered (or simultaneously delivers in exchange for payment) final and complete lien waivers from all Persons otherwise entitled to claim a Prohibited Lien because of the Restoration;

B. **Status of Title.** Evidence reasonably satisfactory to Depository that no Prohibited Lien exists, other than any to be paid in full from the current disbursement;

C. **Lien Waivers.** Progress lien waivers for Restoration completed and paid for through the date of the preceding disbursement; and

D. **Other.** Such other documents, deliveries, certificates, and information as Depository shall reasonably require.

Section 12.4 Landlord's Right to Recover Premises. Tenant acknowledges that Landlord is a public agency with eminent domain powers and nothing herein shall be construed as a waiver by Landlord of its right to exercise its power of eminent domain.

Section 12.5 Substantial Condemnation. If a Condemnation occurs that (a) takes the entire Premises or renders twenty-five percent (25%) or more of the Building or essential Improvements not capable of being used or occupied; (b) in Tenant's reasonable determination (with Lender's written consent) renders the remaining Premises uneconomic and unviable for Tenant's continued use; or (c) occurs less than eighteen (18) months before the end of the Term, then Tenant shall have the right to terminate this Lease (except as it relates to allocation of the Condemnation Award) on the first date when the condemning Government acquired title to or possession of any portion of the Premises that is subject to the Condemnation (for any Condemnation, the "**Condemnation Effective Date**"). Rent shall be apportioned accordingly. The interest of each party in the Condemnation Award shall be equal to the ratio of the fair market value of its interest in the Premises so taken to the total of the fair market value of the Landlord's and Tenant's interests in the Premises so taken. Tenant shall have the right to make a separate claim against the condemning authority for the fair market value of the leasehold estate including the Improvements. In the event applicable at the time of the condemnation does not provide or allow for separate condemnation awards for landlords and

tenants, then Tenant shall be entitled to receive the portion of the condemnation award allocable to the leasehold estate including the Improvements and the remainder of the award shall be paid to Landlord. The amounts payable to Landlord under this Section shall be paid first to a Lender holding a Leasehold Mortgage, if any, in the amount required to be paid to such Lender pursuant to the terms and conditions of the Loss Proceeds Loan Documents approved by Landlord as provided in Section 16.2.

Section 12.6 Minor Condemnation. If any Condemnation occurs except a Substantial Condemnation or a Temporary Condemnation (a "**Minor Condemnation**"), then (subject to Leasehold Mortgages) any Condemnation Award shall be paid to Depository to be applied first for Restoration in the same manner, and subject to the same conditions, as Property Insurance Proceeds. Tenant shall accomplish the Restoration in the same manner as Restoration upon Casualty. After Restoration, Tenant shall receive any remaining Condemnation Award. From and after the Condemnation Effective Date, Fixed Rent shall be adjusted as follows. New Fixed Rent shall equal the product of (a) Fixed Rent before the Condemnation, times (b) a fraction whose numerator is the aggregate value of the Premises after the Condemnation and whose denominator is the aggregate value of the Premises immediately before such Condemnation, without considering such Condemnation. Subsequent Fixed Rent shall be adjusted proportionately. Any Condemnation Award remaining after Restoration shall be applied in the same manner as a Substantial Condemnation Award.

Section 12.7 Temporary Condemnation. If a Condemnation of the temporary right to use or occupy all or a part of the Premises occurs (a "**Temporary Condemnation**"), and such Temporary Condemnation relates to a period longer than one hundred eighty (180) days, then Tenant may, by Notice within thirty (30) after the entry of the final order (or its equivalent) for such Temporary Condemnation, terminate this Lease effective on the Condemnation Effective Date. If the Temporary Condemnation relates to a shorter period, or if Tenant does not terminate this Lease, then Tenant shall receive any Condemnation Award (to the extent for periods within the Term), without affecting Tenant's obligations in any way.

ARTICLE 13 REPRESENTATIONS AND WARRANTIES

Section 13.1 Tenant. Tenant hereby makes the following representations and warranties to Landlord:

A. **Organization.** Tenant is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is in good standing under the laws of the State of Delaware and has the full power and authority to carry on its business as now conducted and to enter into and perform its obligations under this Lease.

B. **Authorization; No Conflict.** Tenant has by all necessary entity action duly authorized, executed and delivered this Lease and neither Tenant's execution and delivery hereof nor its compliance with the terms hereof (1) does or will contravene its operating agreement, certificate of organization/articles of organization, or any governmental rule or law or the terms or conditions of any judgment or decree,

agreement or instrument applicable to or binding on it or any of its assets or (2) does or will require the consent or approval of any person, entity or instrumentality which has not already been obtained, except for environmental, land use and construction related permits or approvals.

C. **Enforceability.** This Lease is a legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

D. **Litigation.** There is no action, suit or proceeding, at law or in equity before or by any court or governmental authority, pending or, to the best of Tenant's knowledge, threatened against Tenant wherein an unfavorable decision, ruling or finding would materially adversely affect the performance of Tenant's obligations hereunder or its performance in connection with the other transactions contemplated hereby or which, in any way, would materially adversely affect the validity or enforceability of this Lease or any agreement or instrument entered into by Tenant in connection with the transactions contemplated hereby.

Section 13.2 Landlord. Landlord hereby makes the following representations and warranties to Tenant:

A. **Organization.** Landlord is a body corporate and politic duly organized and validly existing under the laws of the State of Nevada, is in good standing under the laws of the State of Nevada and has the full power and Landlord to carry on its business as now conducted and to enter into and perform its obligations under this Lease.

B. **Authorization; No Conflict.** Landlord has duly authorized, executed and delivered this Lease and neither Landlord's execution and delivery hereof nor its compliance with the terms hereof (1) does or will contravene its articles of incorporation or bylaws or any other governmental rule or law or the terms or conditions of any judgment or decree, agreement or instrument applicable to or binding on it or any of its assets, including the Premises, or (2) does or will require the consent or approval of any person, entity or instrumentality which has not already been obtained, except for environmental, land use and construction related permits or approvals.

C. **Enforceability.** This Lease is a legal, valid and binding obligation of Landlord, enforceable against Landlord in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

D. **Litigation.** There is no action, suit or proceeding, at law or in equity before or by any court or governmental Landlord, pending or, to the best of

Landlord's knowledge, threatened against Landlord wherein an unfavorable decision, ruling or finding would materially adversely affect the performance of its obligations hereunder or in connection with the other transactions contemplated hereby or which, in any way, would materially adversely affect the validity or enforceability of this Lease or any agreement or instrument entered into by Landlord in connection with the transactions contemplated hereby.

E. **Other Matters.** (a) that Landlord has good fee simple title to the Premises and that, to Landlord's knowledge, the Premises are free and clear of and from all liens, security interests, restrictions, leases, encumbrances, or title restrictions (whether recorded or unrecorded) other than Permitted Exceptions; (b) except as disclosed to Tenant, that there are no outstanding notices of, nor, to Landlord's knowledge, are there, any violations of any Laws with respect to the Land.

ARTICLE 14 LANDLORD PARTICIPATION

Section 14.1 Participation Right. Upon the occurrence of the initial sale, deemed sale, transfer or attribution of ownership (in each instance, a "**Sale**") to any person other than an Approved Affiliate, at any time (or any transaction which may be deemed a disguised sale) of any Building prior to Landlord's ownership thereof pursuant to the reversion rights under **Section 12.4**, Landlord shall have a right of participation in the Building's Net Sale Proceeds. Such participation shall be equal to the amount that is thirty-three percent (33%) of the Net Sale Proceeds in excess of Tenant's calculated Internal Rate of Return of twenty percent (20%). The provisions of this **Article 14** shall apply to the determination of Tenant's Internal Rate of Return and the calculation of Net Sale Proceeds. For purposes of this **Article 14** only, the term "Building" shall refer to any Building which is the subject of a Sale described in the first sentence of this **Section 14.1**.

Section 14.2 Net Sale Proceeds. The term "**Net Sale Proceeds**" with respect to the Sale of any Building shall mean the gross Sales price or consideration of such Building, excluding the acreage of the Premises, less the following costs :

- (a) the balance of any amounts due under any Leasehold Mortgage secured in whole or in part by the Building; and
- (b) any real estate broker commissions owed by Tenant specifically as to the Sale of the Building; and
- (c) all customary closing costs assessed against Tenant in connection with the Sale of the Building including, but not limited to, reasonable attorneys' fees, transfer taxes, recording and other specific closing fees.

Section 14.3 Internal Rate of Return. The term "**Internal Rate of Return**" or "**IRR**" means the calculation of the total return to Tenant including the Net Cash Flow realized by Tenant, based on its Total Building Investment Costs. Tenant's Total Building Investment Costs will include and be limited to Tenant's construction cost incurred in construction of the

Building as established by paid invoices for all contractors or others providing work and materials for the Building; and Tenant soft costs, not to exceed twenty percent (20%) of the construction costs including, but not limited to, design, architectural, engineering, construction management fees, survey costs, external project supervision costs, costs of permits, capitalized interest, and bonding costs, external legal and accounting fees directly incurred in connection with the construction of the Building. If any future Building or leasehold improvements take place after the initial Building construction, any Project costs of \$5,000 or greater and a useful life of five (5) years or more may be included in the calculation of Total Building Costs. Costs do not include costs associated with any furniture, fixture or equipment for the Building or any tenant thereof. Costs associated with marketing and costs associated with tenant leasing, including any real estate brokerage fees, shall be excluded from the determination of Total Building Investment Costs.

The following costs are also not allowable for inclusion in the calculation of Tenant's Total Building Investment Costs:

(i) financing provided by any public entity whether in the form of grants or loans;

(ii) financing provided by any third party lenders;

(iii) costs incurred by Tenant or any Affiliate in connection with Tenant's response to Landlord's requests for qualifications; and

(iv) to the extent that Landlord elects, at its sole discretion, to provide any financing, whether debt or equity, to the Project, such financing costs are also excluded from the calculation of Tenant's Total Building Investment Costs.

Section 14.4 Net Cash Flow. "Net Cash Flow" means for each Building the Gross Revenues derived from the Building less the Operating Costs for such Building. "Gross Revenues" means all income derived from a Building by the Tenant, including but not limited to, Building rents, ground rents from any approved ground sublease and additional rents paid by the Building tenants for triple net occupancy costs such as utilities, insurance and common area maintenance. "Operating Costs" means (a) direct Building maintenance and operations costs; (b) property management costs associated with the Building not to exceed ten percent (10%) of Building rent; (c) insurance; (d) Leasehold Mortgage payments (principal and interest); (e) permits and fees; (f) real estate commissions paid to secure Building tenants; (g) Impositions and (h) Fixed Rent payments allocated to the Building based on the Building square footage as a percentage of total Building square footage of the Buildings located on the Premises at the time of determination of such percentage.

The Net Cash Flow from the Building shall not include any depreciation or amortization of Building or Facility Investment Costs and/or any indirect costs, overhead, administrative costs, or indirect costs incurred by Tenant allocated or assigned to Building Operating Costs

The amount of Landlord's participation in Net Sales Proceeds will be paid, in full, concurrently with the consummation of the Sale of the Building.

Nothing contained in this Article 14 shall grant or imply any right of Tenant to participate in any proceeds of the Sales or lease of any Building after title thereto has reverted to the Landlord pursuant to Section 12.4.

See Exhibit H for an example of the application of the calculation set forth in this Article 14.

Section 14.5 Documentation. Tenant shall provide the Landlord with an itemized and detailed summary of the Total Building Investment Costs within one hundred eighty (180) days of completion of the Building. For purposes hereof, the term "Completion" means the earlier of the date that (i) a Certificate of Occupancy is issued for the Building; (ii) the date any portion of the Building is placed in use; or (iii) the architect for the Building certifies completion for the payment of the construction contractor's final progress payment (exclusive of any retention). All evidence of Tenant's Total Building Investment Costs shall be retained by the Tenant for not less than three (3) years from Completion and shall be made available to the Landlord within five (5) days of the Landlord's written request. All summaries of Total Building Investment Costs shall be certified by an authorized representative of Tenant as being true and correct. Additionally, unless disputed in writing by the Landlord within one hundred and eighty (180) days of its receipt of Tenant's detailed summary of Total Building Investment Costs, all itemized statements shall be deemed conclusive as to the total costs set forth therein and binding on the Parties.

The Tenant shall also provide the Landlord with: (i) all updated construction documents detailing all Improvements constructed on the Project Site; and (ii) a set of final "AS BUILT" reproducible drawings in digital format Auto CAD 2005 or later, or such equal compatible format reasonably satisfactory to the Landlord evidencing the final Building Improvements. The foregoing items shall be provided within one hundred eighty (180) days of the Completion of the Building.

ARTICLE 15 ASSIGNMENT AND SUBLEASING

Section 15.1 Tenant's Right. Tenant may Transfer this Lease or the Leasehold Estate to an Approved Affiliate without Landlord's consent (but only with prior Notice of such assignment to Landlord). In all other instances Tenant may Transfer this Lease or the Leasehold Estate only with Landlord's prior written consent, such consent not to be withheld, conditioned or delayed unreasonably, with such discretion to be exercised administratively by Landlord (as opposed to requiring approval of Landlord's Board of Trustees) to the extent then allowed by Laws and in any event Landlord's discretion in approving or not approving an assignment shall be exercised in a commercially reasonable manner. The Transfer of more than forty-nine percent (49%) of the Equity Interest in Tenant shall be deemed a Transfer of Tenant's interest in this Lease, including the Leasehold Estate. Any assignee of Tenant shall expressly assume all obligations and liabilities of Tenant under this Lease. After Tenant assigns this Lease and the assignee assumes it, if assignee performs all of the terms of this Lease to be performed by Tenant

for the successive twelve (12) calendar months immediately following the effective date of such assignment, then (i) Tenant shall have no continuing obligation or liability under this Lease beyond such twelve (12) month period and (ii) Landlord will release any Credit Enhancement then held by it. In addition, Developer shall have the right to request that Landlord release Tenant from its obligations under this Lease accruing from and after the date of such assignment. Developer's request for such earlier release shall not be unreasonably withheld and shall be granted so long as the Developer provides Landlord with relevant financial, background and other information regarding the proposed assignee, including the assignee's experience and financial capabilities reasonably demonstrating that such assignee has reasonably sufficient experience and financial capabilities to fulfill Tenant's remaining obligations under this Lease. If Tenant assigns this Lease, then as between Landlord and Tenant, Tenant shall be deemed to have assigned to the assignee or transferee all claims against Landlord then existing, and the assignee shall be deemed, by assuming this Lease, to have assumed all liabilities and obligations of Tenant then existing or thereafter arising under this Lease (except as this Lease otherwise expressly states). In each and every instance in which Tenant desires or intends to assign its interest in and under this Lease, Tenant, prior to and as a condition precedent of, the validity of such assignment, shall deliver to Landlord such financial, background and other information regarding the proposed assignee as Landlord may require in the commercially reasonable exercise of its discretion. The assignment documents to be used to effectuate any such assignment shall, in Landlord's reasonable discretion, be prepared by Landlord in such commercially reasonable form as Landlord requires. In all instances, but without limiting the foregoing provisions requiring Landlord's consent to all Transfers and assignments, Tenant shall Notify Landlord immediately of such Transfer or assignment.

Section 15.2 Tenant's Right to Sublet. Tenant may enter into or modify any Sublease, terminate any Sublease or evict any Subtenant, and grant any consent or waiver under any Sublease, without Landlord's consent but subject to Tenant's compliance, in each instance with this Section 15.2 and Sections 15.3 and 15.4. No Sublease shall affect any obligations of Tenant or rights of Landlord under this Lease, all of which shall continue in full force and effect notwithstanding any Sublease. Any Sublease shall expire no later than one day before the last day of the Term. The fact that any Subtenant causes any Default shall not be in derogation or limitation of the effects of such Default, nor relieve Tenant of Tenant's obligation to cure it. Landlord shall recognize the attornment of and not disturb the tenancy of each Subtenant who is not then in default and attorning to Landlord and thereby allow the continuation of such Subtenant's Sublease in effect on the same terms and conditions as set forth in such Sublease but as a direct lease, subject to the payment, when due, of all rentals payable for any period after termination of this Lease and compliance on the part of the Subtenant with each and every term and condition of its Sublease, and the terms and provisions of this Lease applicable to such Sublease. Landlord agrees to execute a commercially reasonable subordination, non-disturbance and attornment agreement with Subtenants in order to memorialize Landlord's obligations hereunder. Within ten (10) days of any demand therefor by Landlord, any Subtenant entitled to have its Sublease recognized and non-disturbed by Landlord hereunder will execute and deliver to Landlord and/or Landlord's designee a recordable certificate stating that such Subtenant has attorned to Landlord hereunder, attached thereto is a true, complete and correct copy of such Subtenant's Sublease, that such Sublease is unmodified and in full force and effect, such defenses or offsets as are claimed by such Subtenant, if any, the date to which all rentals have been paid, and such other information concerning the Sublease, subleased premises and Subtenant as

Landlord or said designee may reasonably request. Landlord's recognition of any such attornment by a Subtenant shall be conditioned upon such Subtenant's compliance with all the terms, covenants and conditions hereof. If a Subtenant entitled to automatic recognition and non-disturbance (upon Subtenant's attornment) under this Section 15.2 above so requests, Landlord agrees to enter into a commercially reasonable, recordable separate recognition, attornment and non-disturbance agreement with said Subtenant.

Section 15.3 Required Provisions. Each Sublease shall contain the provisions set forth in Section 20 hereof, and a provision in form and substance substantially as set forth below in this Section 15.3 . By executing its Sublease, each Subtenant shall be deemed to have agreed to these provisions, which reflect the definitions in this Lease. All such defined terms shall be modified in the Sublease as appropriate to reflect the definitions in the Sublease.

All terms, covenants, and provisions of this Sublease and all rights, remedies, and options of Subtenant under this Sublease are and shall at all times remain fully subject and subordinate in all respects to the Lease. If the Lease and the Leasehold Estate terminate then this Sublease, likewise, shall terminate; provided, however, that Subtenant, at the option and request of Landlord (except as Landlord has agreed otherwise in writing), shall nevertheless attorn to Landlord and recognize Landlord as Subtenant's direct landlord under this Sublease. Subtenant shall execute and deliver, at any time and from time to time, upon the request of Tenant, Landlord, or any Lender, any reasonable instrument necessary or appropriate to evidence such attornment. Subtenant appoints each of the foregoing as Subtenant's attorney-in-fact, irrevocably, with full power of substitution, to execute and deliver any such instrument. This appointment is coupled with an interest and is irrevocable. Subtenant waives any present or future statute or rule of law that may allow Subtenant to terminate this Sublease or to surrender possession of the demised subpremises if the Lease terminates. This Sublease shall not be affected in any way whatsoever by any such termination by Subtenant or any proceeding for such a termination proposed or initiated by Subtenant.

Section 15.4 Conditions to Effectiveness of Assignment Transactions. No assignment or Sublease shall be effective unless and until such assignment or Sublease otherwise complies with the terms and provisions of this Article 15, as applicable in each instance, and Landlord shall have first received: (1) a copy of the fully executed counterpart of the instrument of assignment; (2) in the case of an assignment, an executed assumption of this Lease by the assignee, in recordable form, effective as of the date of the assignment; and (3) in the case of a Sublease, a copy of the fully executed Sublease complying with this Lease; and (4) Notice of the identity of the assignee or Subtenant. No assignment of this Lease except upon full compliance with the provisions of this Section shall have any validity, and shall be null and void *ab initio*. Any assignee of Tenant as permitted pursuant to this Article 15 shall thereafter be the "Tenant" under this Lease.

ARTICLE 16 LENDER PROTECTION.

Section 16.1 Definition. As used in this Lease "**Lender**" shall mean, each and every lender which (a) is either an Institutional Lender or a Landlord Approved Lender, (b) is the beneficiary under a Leasehold Mortgage recorded in the office of the County Recorder of Washoe County, Nevada, and (c) has notified Landlord of such recorded Leasehold Mortgage.

Section 16.2 Tenant's Right to Mortgage. Tenant shall have the right, without Landlord's consent, to mortgage its leasehold estate in the Premises or any part thereof to a Lender, subject, however, to the requirements and limitations of this Article 16. This leasehold mortgage right is granted provided that the funds obtained are utilized for the purpose of constructing Improvements for the Purpose, or financing or re-financing completed Improvements. Tenant shall notify Landlord with prior Notice of any proposed Leasehold Mortgage. Said Notice shall include copies of the Leasehold Mortgage and all other documents to be recorded by Tenant and the Lender with respect to the Premises, and any other documents pertinent to the disposition of Property Insurance Proceeds and any Condemnation Award (the "**Loss Proceeds Loan Documents**"). The Loss Proceeds Loan Documents shall be subject to Landlord's prior review and approval with respect to the negotiation, settlement, payment and disposition of Property Insurance Proceeds and Condemnation Awards, such approval not to be withheld or delayed unreasonably. The Lender shall be entitled to be a named insured and a mortgagee of the Leasehold Estate under the policies of insurance to be maintained by Tenant under this Lease, provided that any insurance proceeds received shall be held and disbursed in accordance with the provisions of this Lease but subject to the rights of such Lender under its Approved Loan Documents.

Section 16.3 Assignment of Mortgage. A Lender may assign its Leasehold Mortgage without Landlord's consent to another Lender. In the event of such assignment, Lender shall send Landlord advance Notice of its intent to assign the Leasehold Mortgage, which Notice shall include the name and address of the New Lender assignee and copies of all documents to be recorded.

Section 16.4 [Reserved].

Section 16.5 Mortgage not Assignment. For the purpose of this Article 16, the mere making of a Leasehold Mortgage shall not be deemed to constitute a Transfer, nor shall any Lender be deemed an assignee of this Lease or of the Leasehold Estate so as to require such Lender to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder unless and until such Lender succeeds to the Leasehold Estate by foreclosure of its Leasehold Mortgage or by acceptance of an assignment in lieu of such foreclosure (either such event, a "**Foreclosure Assignment**") and executes a written assumption of this Lease. A Foreclosure Assignment of the Leasehold Estate to Lender or Lender's Affiliate shall not require the consent of Landlord; but immediate Notice of such Foreclosure Assignment shall be provided to Landlord, and Landlord shall not be required to recognize such assignment until such Notice is given. Any Foreclosure Assignment to a Person other than Lender or a Lender Affiliate (a "**Third Party Assignee**") shall be subject to the requirements for assignment set forth in Sections 15.1 and 15.4; provided, however, that Landlord agrees to provide such

consent if (i) the proposed Third Party Assignee has demonstrated experience in the management of comparable commercial real estate properties (i.e., at least five (5) years of such management experience or a contractual relationship with a manager with such minimum experience), and (ii) financial resources sufficient, in Landlord's reasonable business judgment, to be financially secure to perform Tenant's obligations hereunder (i.e., having a net worth of at least Five Million Dollars (\$5,000,000) as such \$5,000,000 net worth requirement is increased annually after the Commencement Date according to the compounded percentage increase during each preceding year in the Index, with such increase not to exceed four percent (4%) for any given annual period). Further, any such assignment will be specifically subject to all provisions of this Lease.

Section 16.6 Cure Rights of Lender. Landlord, upon providing any Notice of Default, termination, or Notice of a matter on which Landlord may predicate or claim a Default, shall provide a copy of such Notice to every Lender in the manner provided in Section 16.15. In the event Tenant fails to timely cure a Default after receipt of written notice and expiration of any applicable cure period, Landlord agrees to provide any Lender with a second written Notice and provide such Lender with an additional thirty (30) day cure period for such Default(s). Landlord will not have the right to exercise any remedies under this Lease, other than pursuant to Section 18.5B, so long as Lender is diligently prosecuting to completion a cure of any Default. If such Default is of a nature which is incapable of being cured by Lender, Landlord agrees not to exercise its remedies arising from such Default, other than pursuant to Section 18.5B, if (a) Lender provides Notice to Landlord within such thirty (30) day cure period that Lender intends to foreclose its Leasehold Mortgage and Lender commences and diligently pursues such foreclosure; and (b) Lender makes all payments due by Tenant under this Lease and cures all other Default(s) capable of cure by Lender, all through the date of foreclosure. In connection with Lender's cure rights in this Section 16.6, Lender shall be allowed sufficient time reasonably necessary to complete any foreclosure action so long as Lender is making payments and curing defaults as required by the previous sentence. Landlord shall accept such performance by or at the instigation of such Lender as if Tenant had done the same.

Section 16.7 Notice of Termination and Cure Periods. Upon the occurrence of an Event of Default that entitles Landlord to terminate this Lease, Landlord may terminate this Lease only if it delivers notice as provided in Section 16.6 above to Lender that Landlord intends to terminate this Lease as a result of an Event of Default not less than thirty (30) days prior to the proposed effective date of such termination. The Lender may perform the obligations of Tenant as described in Section 16.8 below if, during such thirty (30) day termination notice period, the Lender shall:

(i) Notify Landlord of such Lender's desire to cure such Event of Default;

(ii) Pay or cause to be paid all Rent and other payments then due and in arrears as specified in the termination notice to such Lender and which may become due during such thirty (30) day period; and

(iii) Comply, or in good faith, with reasonable diligence and continuity, commence to comply, with all non-monetary requirements of this Lease in Default and reasonably susceptible of being complied with by such Lender.

Section 16.8 Performance of Tenant Obligations by Lender.

A. If Landlord elects to terminate this Lease by reason of any Event of Default of Tenant, and if a Lender shall have proceeded and continues to proceed in the manner provided for by Section 16.7, then the specified date for the termination of this Lease as fixed by Landlord in its termination notice shall be extended for a period of six (6) months, provided that such Lender shall, during such six (6) month period:

(i) Pay or cause to be paid all Rent under this Lease as the same becomes due, and continue its good faith and diligent efforts to perform all of Tenant's other obligations under this Lease; and

(ii) If not enjoined or stayed, take steps to acquire or sell Tenant's Leasehold Estate by foreclosure of the Leasehold Mortgage or other appropriate means and procedures, which shall be completed with due diligence; and

(iii) Cure all Events of Default.

If at the end of such six (6) month period such Lender is in compliance with this Section 16.8, then this Lease shall not then terminate, and the time for completion by such Lender of its foreclosure or other proceedings shall continue for so long as such Lender is not enjoined or stayed from doing so and, thereafter, for so long as such Lender proceeds to diligently and continuously pursue the acquisition or sale of Tenant's Leasehold Estate by foreclosure of the Leasehold Mortgage or by other appropriate means, and provided that the Lender continues to comply with this Section 16.8 in all respects. Nothing in this Section 16.8, however, shall be construed to extend this Lease beyond the Term.

B. Notwithstanding any other language in this Article 16, the consents and agreements of Landlord are granted on the condition that the Leasehold Mortgage is and shall be subordinate and subject to this Lease.

C. In the event of a Foreclosure Assignment, Lender shall be entitled to receive a permit from Landlord, for a term up to nine (9) months, that allows Lender (subject to continued compliance with Section 16.8A.) to make necessary repairs to the Improvements or to otherwise protect the Improvements from deterioration, and to market the property to prospective assignees, and that also obligates Lender to assume only that liability under the Lease that accrues during the term of the permit, subject in all instances, however, to Lender's full compliance with the performance and cure requirements of Section 16.8A.

Section 16.9 No "Subordination of Fee". Tenant acknowledges that Landlord has not agreed to in any manner encumber Landlord's reversionary interest in the Premises, to join in the execution of any mortgage, deed of trust, or other security instrument encumbering the Premises, or to "subordinate the fee". In no event shall Landlord's fee estate in the Premises be subject to any future encumbrances without the approval of Tenant and any Lender and, as a condition to such approval, any such future encumbrance shall be subordinated to this Lease, as the same may be modified, amended or supplemented, and all rights of Tenant hereunder, and any Leasehold Mortgage of any Lender of Tenant hereunder are and shall have priority over, and shall be senior and superior to, the lien of any such future encumbrance, security agreement or other lien now or hereafter made by Landlord and affecting the Premises, whether or not such security agreement or other lien or encumbrance shall also cover other lands and/or buildings.

Section 16.10 Right to a New Lease. Notwithstanding any provision to the contrary set forth herein, if for any reason this Lease is terminated by reason of, or in connection with, any court proceeding relating to any state or federal law for the relief of debtors, and if at such time any Lender holds a Leasehold Mortgage in the Leasehold Estate so terminated, then such Lender shall be entitled to receive a new lease for the Premises ("**New Lease**"), wherein such Lender shall have the same rights and obligations under such New Lease as if such Lender had acquired the Leasehold Estate through a Foreclosure Assignment. Such New Lease shall have the same relative priority and be upon the same terms and provisions as this Lease. No such termination of this Lease shall in any manner affect the rights of any Lender until all of the following events have occurred: (i) Landlord shall have notified such Lender in writing of the termination of this Lease and shall have offered such New Lease to such Lender (or failing such offer Lender otherwise elects to enter into such New Lease), which Notice and offer shall be communicated to such Lender in the manner set forth in Section 16.15, and (ii) such Lender shall have failed to accept in writing such offer of Landlord for a New Lease and to communicate such acceptance to Landlord by Notice in the manner provided in Section 21.2 within thirty (30) days after Landlord's delivery of Notice of such written offer for a New Lease and if such failure continues for an additional ten (10) business days after Landlord's second Notice and offer to Lender; or the events described in clauses (i) and (ii) above have occurred, but such Lender has failed within such thirty (30) day period to cure any and all Defaults of Tenant under this Lease as and to the extent required pursuant to the terms and provisions of this Lease, or for Defaults which cannot be cured without entry into possession, proceed and effect cure with due diligence following delivery of possession (and Leasehold Mortgage shall have such additional time as is reasonably necessary (including time to obtain relief from any bankruptcy stay in Tenant's bankruptcy)) to enable the Lender to either foreclose the lien of the Leasehold Mortgage or obtain the appointment of a receiver or secure other remedies necessary to enable the Lender to cure the default. If Lender fails to comply with the provisions of this Section 16.10 its right to a New Lease as set forth in this Section shall terminate and Lender shall thereafter have no further right, title or interest in and to the Leasehold Estate or the Premises. In the event Lender complies with the provisions of this Section 16.10, the existing Subleases of the Premises shall not be affected.

In the event there is more than one Lender, and if such Lenders have entered into an agreement regarding such New Lease ("**Lender Agreement**"), then the New Lease shall be offered first to the Lender entitled to be offered such New Lease pursuant to such Lender Agreement and otherwise such New Lease shall be offered to the most junior in priority, subject,

however, to the Leasehold Mortgages of the other Lenders. If the most junior Lender fails to execute such New Lease within thirty (30) days after receipt of the offer of a New Lease, then the new lease shall be offered to the Lender who is next junior in priority, who shall have thirty (30) days after such Notice is received by such Lender to execute a New Lease. Landlord shall continue to offer a New Lease to Lenders in the reverse order of their priority, subject to all senior Leasehold Mortgage, until such New Lease is tendered to all Lenders and all Lenders have failed to execute such New Lease.

Upon the execution and delivery of the New Lease, title to all Improvements on the Premises, shall automatically vest in the same manner and to the same extent as held by Tenant pursuant to this Lease, absent termination.

Section 16.11 Lease Amendments and Termination. Landlord and Tenant shall not voluntarily and materially modify, amend, or change the provisions of this Lease, without the prior written consent of all Lenders, which consent shall not be unreasonably withheld or delayed. Landlord and Tenant shall not agree to voluntarily terminate this Lease unless the obligations to all Lenders have been paid in full. The above provisions of this Section 16.11 are subject to and not in limitation of the operation and effect of Section 12.4, Article 20, and any other provision of this Lease that requires Landlord to consent to or take action inconsistent with the first sentence of this Section 16.11, provided that Landlord agrees to provide prompt Notice of any such actions.

Section 16.12 Lender's Liability Hereunder. In no event shall the liability of any Lender (including any Approved Affiliate) exceed the value of such Lender's or Approved Affiliate's interest in the Premises and this Lease.

Section 16.13 No Merger. So long as any debt secured by a Leasehold Mortgage shall remain unpaid, unless Lender shall otherwise consent in writing, the Fee Estate to the Premises and the Leasehold Estate in the Premises shall not merge but shall always be kept separate estates, notwithstanding the union of such estates either in the Landlord or in Tenant or in a third party by purchase or otherwise.

Section 16.14 Further Assurances. Landlord shall cooperate by reasonably suitable amendment, from time to time, any provision which may reasonably be requested by any Lender or proposed Lender for the purpose of implementing the mortgagee-protection provisions contained in this Lease and allowing such Lender reasonable means to protect or preserve the lien of the Leasehold Mortgage and the value of its security. Landlord agrees to execute and deliver (and to acknowledge, if necessary for recording purposes) any agreement reasonably necessary to effect any such amendment provided, however, that in no event shall Landlord be required to agree to or accommodate, any such amendment that would materially add to the obligations of Landlord under this Lease or that in any material way would affect the terms of this Lease or Rent under this Lease, encumber or subordinate the Fee Estate, or otherwise in any material respect adversely affect any rights of Landlord under this Lease.

Section 16.15 Notices. Landlord hereby agrees that no Notice to Tenant under the terms and provisions of this Lease shall be effective against a Lender unless a duplicate copy thereof is mailed in the manner provided herein. All Notices to a Lender shall be delivered to

such Lender in the same manner as Notices to Tenant pursuant to Section 21.2 at such address as then having been provided to Landlord at the address and in the manner set forth for Landlord in Section 21.2. Landlord may rely conclusively on the Notice address for each Lender then provided to Landlord as set forth in this Section 16.15.

ARTICLE 17 EQUIPMENT LIENS

Section 17.1 Tenant's Rights. Notwithstanding any existing or future statute, law or rule of law to the contrary, Landlord hereby waives, releases and relinquishes any and all rights of distraint, levy, attachment or recourse to the FF&E belonging to Tenant or any Subtenant or any other person, firm or corporation and the foregoing waiver, release and relinquishment shall be self-operative without the necessity for any further instrument or document. If at any time or from time to time Tenant or any Subtenant desires to enter into or grant any Equipment Lien and such Equipment Lien otherwise complies with this Lease, and provided that no uncured Event of Default exists, then upon Tenant's or such Subtenant's request Landlord shall enter into such customary documentation regarding the Financed FF&E as Tenant shall reasonably request, providing for matters such as: (a) waiver of any right to take possession of such Financed FF&E upon an Event of Default; (b) waiver of any other right, title, or interest in the Financed FF&E; and (c) agreements to enable the holder of such Equipment Lien to repossess such Financed FF&E if such holder exercises remedies under its Equipment Lien in a reasonable and timely manner.

Section 17.2 Required Provisions for Equipment Liens. If Tenant enters into any Equipment Lien, then Tenant shall: (i) not file (or cause or permit to be filed) such Equipment Lien as a lien against the Premises or any part of the Premises (other than the Financed FF&E) and (ii) cause to be inserted in the documents for such Equipment Lien a provision to the following effect:

Notwithstanding anything to the contrary herein, this chattel mortgage, conditional sales agreement, title retention agreement or security agreement shall not create, be deemed to create, or be filed as a lien against the land, building and improvements constituting the real property in which the Financed FF&E covered hereby are to be located or installed.

ARTICLE 18 EVENTS OF DEFAULT; REMEDIES

Section 18.1 Definition of "Event of Default". An "Event of Default" or "Default" means the occurrence of any one or more of the following:

A. **Monetary Default.** If a Monetary Default shall occur and shall continue for ten (10) Business Days after Landlord has Notified Tenant of such Monetary Default, specifying in reasonable detail the amount of money not paid and the nature of each such payment.

B. **Insurance Maintenance Default.** If an Insurance Maintenance Default shall occur and not be remedied by Tenant within twenty (20) Business Days after Landlord shall have given Tenant Notice of such Insurance Maintenance Default.

C. **Restrictions and Prohibitions.** If any failure to comply with any restriction, prohibition or other negative covenant contained in this Lease shall occur and not be remedied by Tenant within thirty (30) days after Landlord shall have delivered to Tenant Notice of such Failure.

D. **Non-Monetary Default.** If any other Non-Monetary Default (not listed above) shall occur and shall continue and not be remedied by Tenant within thirty (30) days after Landlord shall have delivered to Tenant a Notice describing the same in reasonable detail, or, in the case of a Non-Monetary Default that cannot with due diligence be cured within thirty (30) days from such Notice, if Tenant shall not (a) within thirty (30) days from Landlord's Notice advise Landlord of Tenant's intention to take reasonable steps necessary to remedy such Non-Monetary Default; (b) duly commence the cure of such Non-Monetary Default within such period, and then (c) diligently prosecute to completion the cure of the Non-Monetary Default.

Section 18.2 Remedies. If an Event of Default occurs, then Landlord shall (subject to the rights of Lender as described herein), at Landlord's option, have any or all of the following remedies, all of which shall be cumulative (so that Landlord's exercise of one remedy shall not preclude Landlord's exercise of another remedy), in addition to, and without limitation on, such other remedies as may be available at law or in equity or under any other terms of this Lease. Landlord's remedies shall include:

A. **Termination of Tenant's Rights.** Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the Term shall terminate (and such date of termination shall be the Expiration Date) and Tenant shall immediately surrender possession of the Premises to Landlord.

B. **Taking of Possession.** Landlord may re-enter and take possession of the Premises with process of law, whether by summary proceedings or otherwise, and remove Tenant, but only with having terminated this Lease, and without thereby being liable for damages or guilty of trespass. This is intended to constitute an express right of re-entry on Landlord's part. No re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall absolve or discharge Tenant from liability under this Lease. The terms "enter," "re-enter," "entry," and "re-entry," as used in this Lease, are not restricted to their technical legal meaning.

C. **Suits Before Expiration Date.** Landlord may sue for all damages and to recover Rent from time to time at Landlord's election.

D. **Receipt of Moneys.** No receipt of moneys by Landlord from Tenant after termination of this Lease, or after the giving of any notice of termination of this Lease, shall reinstate, continue or extend the Term or affect any Notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of

Rent payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as this Lease expressly states otherwise, it being agreed that after service of notice to terminate this Lease or the commencement of suit or summary proceedings, or after final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and occupation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

E. **No Waiver.** No failure by Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a Default in such performance, and no acceptance of full or partial Rent by Landlord during the continuance of any such Default, shall constitute a waiver of any such Default or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no default thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any Default shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent Default of such covenant, agreement, term or condition of this Lease.

F. **Intentionally Omitted.**

G. **Intentionally Omitted.**

H. **Damages.** Landlord may recover from Tenant all damages incurred by Landlord by reason of Tenant's Default, including the reasonable costs of recovering possession, reletting the Premises, and any and all other damages legally recoverable by Landlord, together with reasonable out of pocket costs and expenses incurred by Landlord, including Legal Costs and bank fees for checks returned by the bank but excluding loss of business or loss of profits damages which may be suffered by Landlord. Such damages shall include, at Landlord's election, but without limitation (a) the present value, calculated at a discount rate equal to the then current Prime Rate plus two percent (2%) per annum, of the excess of the total Fixed Rent under this Lease over the fair market rental value of the Premises for the balance of the Term; or (b) the Rent payable to Landlord provided for in this Lease, when and as due and payable under this Lease, less (in the case of this clause "b" only) Landlord's actual proceeds of reletting net of Landlord's actual reasonable costs of reletting. Landlord may recover such damages at any time after Tenant's Default, including after expiration of the Term. Notwithstanding anything in Law to the contrary, Landlord shall not be required to commence separate actions to enforce Tenant's obligations with respect to each month's Rent not paid, or each month's accrual of damages. Landlord agrees to use its commercially reasonable efforts to mitigate its damages on account of a Default by Tenant under his Lease.

I. **Injunction of Breaches.** Whether or not an Event of Default has occurred, Landlord shall be entitled to obtain a court order enjoining Tenant from continuing conduct constituting a breach or that threatens to constitute a breach of Tenant's covenants in this Lease. Tenant specifically and expressly acknowledges that damages would not constitute an adequate remedy for Tenant's breach of any nonmonetary covenant contained in this Lease.

J. **Continue Lease.** Landlord may at Landlord's option maintain Tenant's right to possession. In that case, this Lease shall continue in effect and Landlord shall be entitled to continue to enforce it, including the right to collect Rent when due and the right to any remedies for nonpayment.

K. **Restoration Funds.** Upon any termination of this Lease, to the extent that Landlord or Depository then holds any Restoration Funds, they shall be applied as provided in this Lease.

Section 18.3 Proceeds of Reletting. Landlord shall apply any proceeds of any reletting as follows, without duplication:

A. **Landlord's Costs.** First, to pay to itself the cost and expense of terminating this Lease, re-entering, retaking, repossessing, repairing, altering and/or completing construction of any improvements, or any portion thereof, and the cost and expense of removing all persons and Premises therefrom, including in such costs reasonable and customary brokerage commissions and Legal Costs and Default Interest on the foregoing;

B. **Preparation for Reletting.** Second, to pay to itself the cost and expense reasonably sustained in securing any new tenants and other occupants, including in such costs all brokerage commissions, Legal Costs, and any other reasonable costs of preparing the Premises for reletting, and Default Interest on the foregoing;

C. **Costs of Maintenance and Operation.** Third, to the extent that Landlord shall maintain and operate the Premises, to pay to itself the reasonable cost and expense of operating and maintaining the Premises and Default Interest on the foregoing; and

D. **Residue.** Fourth, to pay to itself any balance remaining on account of the liability of Tenant to Landlord.

Section 18.4 Tenant's Late Payments; Late Charges. If Tenant fails to make any payment to Landlord required under this Lease within ten (10) business days after such payment is first due and payable, then in addition to any other remedies of Landlord, and without reducing or adversely affecting any of Landlord's other rights and remedies, Tenant shall pay Landlord within five (5) days after demand Default Interest on such late payment, beginning on the date such payment was first due and payable and continuing until the date when Tenant actually makes such payment. In addition, and without limiting any other rights or remedies of Landlord, Tenant shall pay Landlord, as Additional Rent, an administrative charge equal to five percent (5%) of any payment that Tenant fails to pay within five (5) business days after such

payment is first due and payable; provided, however, that Landlord will waive the imposition of the late charge for the first late payment of rent in any one calendar year during the Term. Such administrative charge is intended to compensate Landlord for the inconvenience and staff time incurred by Landlord to handle the late or missed payment, shall not be deemed a penalty or compensation for use of funds, and shall not be credited against any other obligations of Tenant under this Lease.

Section 18.5 Landlord's Right to Cure. If Tenant at any time fails to make any payment or take any action this Lease requires, then Landlord, after twenty (20) Business Days' Notice to Tenant, or in an emergency with such notice (if any) as is reasonably practicable under the circumstances, and without waiving or releasing Tenant from any obligation of Tenant or from any Default by Tenant and without waiving Landlord's right to take such action as this Lease may permit as a result of such Default, may (but shall be under no obligation to) make such payment or take such action. Tenant shall reimburse Landlord, as Additional Rent (within twenty (20) days after Notice from Landlord accompanied by reasonable backup documentation), for an amount equal to the sum of all reasonable sums paid by Landlord and all costs and expenses reasonably incurred by Landlord, together with Landlord's Legal Costs, in connection with the exercise of Landlord's cure rights under this Section plus, Default Interest thereon from the date of each such expenditure, until paid in full by Tenant.

Section 18.6 WAIVERS. TENANT AND LANDLORD IRREVOCABLY WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, COUNTERCLAIM OR OTHER LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT UNDER THIS LEASE, THE ENFORCEMENT OF THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES, ANY CLAIM OF INJURY OR DAMAGE ARISING BETWEEN LANDLORD AND TENANT, OR ANY ACTIONS OF LANDLORD IN CONNECTION WITH OR RELATING TO THE ENFORCEMENT OF THIS LEASE. TENANT WAIVES ANY RIGHT OF REDEMPTION PROVIDED FOR BY LAWS. TENANT WAIVES ANY RIGHT TO INTERPOSE ANY COUNTERCLAIM (OTHER THAN COMPULSORY COUNTERCLAIMS) IN ANY ACTION BY LANDLORD TO ENFORCE THIS LEASE OR ANY RIGHTS AND REMEDIES OF LANDLORD UNDER THIS LEASE.

Section 18.7 Accord and Satisfaction; Partial Payments. No payment by Tenant or receipt by Landlord of a lesser amount than the amount required to be paid by Tenant under this Lease shall be deemed to be other than a part payment on account by Tenant, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of Rent be deemed an accord or satisfaction. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy for nonpayment, including termination of this Lease and commencement of a summary dispossession proceeding.

Section 18.8 Miscellaneous. Landlord and Tenant further agree as follows with respect to any Defaults and Landlord's rights and remedies.

A. **Survival.** No termination of this Lease and no taking possession of and/or reletting the Premises (or any part thereof) shall relieve Tenant of its obligations

to Indemnify or any other liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession, or reletting, but subject to any limitations on personal liability or recourse contained in this Lease.

B. **Multiple Suits.** Landlord may sue to recover damages, or a sum equal to any installment(s) of Rent payable hereunder or any deficiencies or other sums payable by Tenant to Landlord under this Article 18, from time to time at Landlord's election. Nothing in this Lease shall be deemed to require Landlord to await the date when this Lease or the Term would have expired absent an Event of Default by Tenant and a resulting termination of this Lease.

C. **Receipt of Monies.** Unless such payment shall fully cure all Monetary Defaults, no receipt of moneys by Landlord from Tenant after the giving of a termination Notice or a Notice to obtain possession, or after the retaking of possession by Landlord as aforesaid, shall reinstate, continue, or extend the Term or affect any Notice previously given to Tenant, or operate as a waiver of Landlord's right to enforcement of Rent payable by Tenant under this Lease or thereafter falling due, or operate as a waiver of Landlord's right to recover possession of the Premises. After the service of any such Notice, or the commencement of any suit or summary proceedings, or after a final order or judgment for possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such Notice, proceeding, order, suit, or judgment, unless such payments shall fully cure all Monetary Defaults. Any sums so collected (without thereby curing all Monetary Defaults) shall instead be deemed payments on account of use and occupation of the Premises or, at Landlord's election, to have been made on account of Tenant's liability under this Lease.

Section 18.9 Landlord's Default. It shall be a "**Landlord Default**" if Landlord shall fail to observe or perform any of Landlord's covenants, agreements or obligations hereunder and such failure shall continue unremedied for a period of thirty (30) days after Tenant shall have given to Landlord written notice specifying wherein Landlord has failed to observe or perform any such covenant, agreement or obligation, plus such additional time as is reasonably required to correct any such failure if Landlord has instituted corrective action within such thirty (30) day period and is diligently pursuing the same to completion. Upon the occurrence of a Landlord Default and at any time thereafter so long as the same shall be continuing Tenant may, at its election, give Landlord Notice of its intention to terminate this Lease on such date specified in said Notice, which date shall not be earlier than thirty (30) days after such Notice is given. Tenant shall be, and shall remain, liable for all Rent accrued hereunder to the date such termination becomes effective and for all other sums then owing by Tenant hereunder. To the extent Tenant is prevented from using the Premises as a result of a Landlord Default, Fixed Rent for such period shall be equitably abated. In addition to the foregoing, Tenant shall have all rights and remedies afforded to it at law or in equity, including the right to seek damages due to Landlord's Default. No failure by Tenant to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a Landlord Default in such performance, shall constitute a waiver of any such Landlord Default or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Landlord, and no default thereof, shall be waived, altered or modified except by a written instrument executed by Tenant. No waiver of

any Landlord Default shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent Landlord Default of such covenant, agreement, term or condition of this Lease.

ARTICLE 19 EXPIRATION

Section 19.1 End of Term. Upon any Expiration Date: (a) ownership of all Improvements (including any Building and all Building Equipment, but excluding any FF&E) shall transfer automatically to and become Landlord's property, subject to the exercise of Landlord's rights pursuant to Section 6.10 for the removal of Improvements by Tenant; (b) Tenant shall deliver to Landlord possession of the Premises, in the condition required by this Lease, subject to any Loss that this Lease does not require Tenant to Restore; (c) Tenant shall surrender any right, title, or interest in and to the Premises and deliver such evidence and confirmation thereof as Landlord shall reasonably require; (d) Tenant shall deliver the Premises free and clear of all: (i) Subleases (except only those elected to be assigned to Landlord pursuant to clause (d) next below), and (ii) liens except (1) Permitted Exceptions and (2) liens created as a result of Landlord's or any of its agents' acts or omissions; (e) Tenant shall, as and to the extent expressly directed by Landlord, assign to Landlord, without recourse, and give Landlord copies or originals of, all Subleases and all assignable licenses, permits, warranties, and guarantees then in effect for the Premises; (f) the parties shall cooperate to achieve an orderly transition of operations from Tenant to Landlord without interruption, including delivery of such books and records (or copies thereof) as Landlord shall reasonably require; (g) the parties shall adjust for Impositions and all other expenses and income of the Premises and any prepaid Rent and shall make such payments as shall be appropriate on account of such adjustment in the same manner as for a sale of the Premises (but any sums otherwise payable to Tenant shall first be applied to cure any Default); and (h) the parties shall terminate the Memorandum of Lease by appropriate instrument recorded in Official Records, Washoe County, Nevada. Tenant may remove from the Premises any FF&E, but Tenant must do so, if at all, before or within sixty (60) days after the Expiration Date. Tenant shall repair any damage from such removal. During such 30-day period: (a) Tenant may enter the Premises for such purposes, without being deemed a holdover; (b) Landlord shall have no obligation to preserve or protect such FF&E; and (c) in entering the Premises, Tenant shall comply with Landlord's reasonable instructions and requirements. Tenant's FF&E not removed from the Premises within sixty (60) days after the Expiration Date shall be deemed abandoned.

ARTICLE 20 FAA PROVISIONS AND AIRPORT REGULATIONS

Section 20.1 Mandatory FAA Provisions. The following provisions are mandatory FAA provisions pursuant to "Required Contract Provisions for Airport Improvement Program and for Obligated Sponsors" issued by the FAA January 29, 2016. As such, neither the language nor their inclusion may be changed.

A. General Civil Rights Provisions. The Tenant and its Transferee(s) agree to comply with pertinent statutes, Executive Orders and such rules as

are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision obligates the Tenant or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program.

In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods:

(a) The period during which the property is used by the Landlord or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or

(b) The period during which the airport sponsor Landlord or any transferee retains ownership or possession of the property.

B. **Compliance with Nondiscrimination Requirements.** During the performance of this Lease, the Tenant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Tenant") agrees as follows:

1. **Compliance with Regulations:** The Tenant (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Non-discrimination:** The Tenant, with regard to the work performed by it during the Lease, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Tenant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the Lease covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the Tenant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Tenant of the Tenant's obligations under this Lease and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

4. **Information and Reports:** The Tenant will provide all information and reports required by the Acts, the Regulations, and directives

issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a Tenant is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Landlord or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Tenant's noncompliance with the Non-discrimination provisions of this contract, the Landlord will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a) Withholding payments to the Tenant under the Lease until the Tenant complies; and/or
- b) Cancelling, terminating, or suspending a Lease, in whole or in part.

6. **Incorporation of Provisions:** The Tenant will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Tenant will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Tenant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Tenant may request the Landlord to enter into any litigation to protect the interests of the Landlord. In addition, the Tenant may request the United States to enter into the litigation to protect the interests of the United States.

C. **Transfer of Real Property Acquired or Improved Under the Activity, Facility, or Program.** The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Landlord pursuant to the provisions of the Airport Improvement Program grant assurances.

1. The Tenant for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of

Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

2. With respect to licenses, Leases, Permits, etc., in the event of breach of any of the above Nondiscrimination covenants, Landlord will have the right to terminate the Lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.

D. Construction, Use, Access to Real Property Acquired Under the Activity, Facility or Program. The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Landlord pursuant to the provisions of the Airport Improvement Program grant assurances.

1. The Tenant for himself/herself, his/her heirs, 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 (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Tenant will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

2. With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, Landlord will have the right to terminate the Lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued

E. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Lease, the Tenant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Tenant") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation-Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 - 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of

limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq*).

F. **CERTIFICATION REGARDING LOBBYING.** The Tenant certifies by signing and submitting this lease, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Tenant to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Section 20.2 FAA Discretionary Language Clauses. The following provisions must be included in this Lease but may use different language from that required by the FAA provided the intent of the required clauses is met.

A. **Access To Records And Reports.** The Tenant must maintain an acceptable cost accounting system. The Tenant agrees to provide the Landlord, the Federal Aviation Administration, and the Comptroller documents, papers, and records of the Tenant which are directly pertinent to this Lease for the purpose of making audit, examination, excerpts and this Lease for a period of not less than three years after final payment is made and all pending matters are closed.

B. **Disadvantaged Business Enterprise Program.** Tenant shall abide and be bound by the Disadvantaged Business Enterprise Program adopted and as amended from time to time by Landlord pursuant to 49 CFR Part 23, Participation by Disadvantaged Business Enterprise in Department of Transportation Programs, as may be applicable to Tenant's activities hereunder.

C. **Distracted Driving.** In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

In support of this initiative, the Landlord encourages the Tenant to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Tenant must include the substance of this clause in all sub-tier contracts exceeding \$3,500 and involve driving a motor vehicle in performance of work activities associated with the Property.

D. **Energy Conservation Requirements.** Tenant agrees to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201 *et seq.*).

E. **Federal Fair Labor Standards Act.** All contracts and subcontracts that result from this Lease incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. The Tenant has full responsibility to monitor compliance to the referenced statute or regulation. The Tenant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor - Wage and Hour Division.

F. **Occupational Safety and Health Act of 1970.** All contracts and subcontracts that result from this Lease incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Tenant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Tenant retains full responsibility to monitor its compliance and their contractor's or subcontractor's compliance with the applicable

requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Tenant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor - Occupational Safety and Health Administration.

Section 20.3 Airport Regulations.

A. **Operation as a Public Airport.** Tenant acknowledges that Landlord is required to operate and maintain the Airport as a public airport consistent with and pursuant to the Sponsor's Assurances given by Landlord to the United States Government under the Airport and Airway Improvement Act of 1982, as the same may be amended from time to time.

B. **Airport Landing Area Development or Improvement.** Landlord reserves the right to further develop or improve all areas of the Airport outside of the Land and all other land covered by that certain Master Development Agreement entered into between Landlord and DP RTA STEAD PH 1, LLC, as of December 8, 2016, as it sees fit, regardless of the desires or view of Tenant, and without interference or hindrance; provided, however, that if the effect of such development or improvement is substantially the same as if a Condemnation of the Land had occurred, then Tenant shall have the same rights with respect thereto as are provided to Tenant pursuant to Article 12.

C. **Maintenance of the Airport.** Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair all areas 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.

D. **Right of Flight.** Landlord reserves unto itself, its successors and assigns, for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of the Premises. This right of flight shall include the right to cause in said airspace such noise, vibrations, fumes, dust, air movement and other similar phenomena as may be inherent in the operation of any aircraft now known or hereafter used for navigation or flight through the said airspace for landing at, taking off from or operating on the Airport.

E. **No Exclusive Right.** It is understood and agreed that nothing contained in this Lease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a), as the same may be amended from time to time.

F. **Tenant Agreements and Covenants.** Tenant, for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree to the following, as a covenant running with the Premises:

1. **Subordination of Lease.** This Lease and all provisions set forth herein are and shall be subject and subordinate to the terms and conditions

of any instruments and documents under which Landlord acquired the land or improvements thereto, of which the Premises are a part, and shall be given only such effect as will not conflict with or be inconsistent with such terms and conditions. It is further understood and agreed by Tenant that this Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Landlord and the United States of America, or any of its agencies, relative to the development, operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Notwithstanding anything above to the contrary, Tenant expressly reserves any and all legal rights, claims or causes of action which it may have arising out of any actions by any such superior interest holders which amounts to a condemnation or constructive eviction.

G. **Height Restriction.** Tenant will neither erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Premises above the mean sea level elevation applicable to the most critical area of the Airport in accordance with Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77). In the event the aforesaid covenant is breached, Landlord reserves the right to enter upon the Premises and to remove the offending structure or object or cut the offending tree, all of which shall be at the sole expense of the Tenant.

H. **Federal Review.** It is anticipated that changes will come from regulatory agencies having jurisdiction over the Airport or Landlord in the form of regulatory changes. Landlord shall provide Tenant with copies of all Notices of Proposed Rule Making issued by such agencies that directly affect the Premises; provided however, Landlord's failure to provide said copies shall not be a Landlord default under this Lease.

I. **Federal Right to Reclaim.** In the event a United States agency shall demand and take over the entire facilities of the Airport, or any portion of the Airport containing any or all of the Premises, for public purposes, then and in that event Landlord, to the extent Landlord has not, in the free exercise of Landlord's discretion, initiated or consented to such taking, shall be released and fully discharged from any and all liability hereunder; provided, however that Tenant expressly reserves any and all legal rights, claims and causes of action which it may have against the United States of America or any agency thereof arising out of or resulting from the reclamation of the Premises and the taking of any of Tenant's Improvements and FF&E located thereon.

ARTICLE 21 GENERAL

Section 21.1 Estoppel Certificates. From time to time, Landlord may, up to twice a year, require Tenant to execute, acknowledge and deliver to Landlord (or directly to a designated third party) up to four original counterparts of an Estoppel Certificate. Tenant shall sign, acknowledge, and return such Estoppel Certificate within ten (10) Business Days after request, and failure to deliver such Estoppel Certificate within such ten (10) day period shall be a Default, not subject to cure pursuant to Section 18.1D. Any third party to whom an Estoppel

Certificate is directed may rely on such Estoppel Certificate. Within thirty (30) days after a written request by Tenant or any Lender (but not more than once in any calendar year, except in case of a proposed financing or refinancing), Landlord will execute, acknowledge and deliver to Tenant or such Lender or other person or entity as Tenant designates, an Estoppel Certificate. Any Estoppel Certificate may be relied upon by a prospective purchaser, mortgagee or trustee or beneficiary under a deed of trust of the Premises or the leasehold estate hereunder or any part thereof.

Section 21.2 Notices. Any communication, Notice or demand of any kind whatsoever that either party may be required or may desire to give to or serve upon the other shall be in writing, addressed to the parties at the addresses set forth below, and delivered by personal service, by Federal Express or other reputable overnight delivery service, or by facsimile transmission:

If to Landlord: Reno-Tahoe Airport Authority
Attention: President/CEO
2001 E. Plumb Lane
Reno, NV 89502

and: P.O. Box 12490
Reno, NV 89510-2490
Telephone: (775) 328-6400
Facsimile: (775) 328-6564

If to Tenant: c/o Dermody Properties
5500 Equity Avenue
Reno, NV 89502
Attn: C. Douglas Lanning
Telephone: (775) 858-8080
Facsimile: (775)-858-8089
Email: dlanning@dermody.com

c/o Dermody Properties
O'Hare Atrium Office Plaza
2860 South River Road, Suite 120
Des Plaines, IL 60018
Attn: Douglas A. Kiersey, Jr.
Telephone: (775) 858-8080
Facsimile: (224)-938-9605
Email: dkiersey@dermody.com

With a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP
501 W. Broadway, 15th Floor
San Diego, CA 92101-3541
Attn: Martin L. Togni, Esq.
Fax: (619)-233-1158
Email: mtogni@allenmatkins.com

Any such notice shall be deemed delivered as follows: (a) if personally delivered, the date of delivery to the address of the person to receive such notice; (b) if sent by Federal Express or other reputable overnight courier service, the date of delivery to the address of the person to receive such notice; or (c) if sent by facsimile transmission, on the Business Day transmitted to the person to receive such notice if sent by 5:00 p.m., Pacific time, on such Business Day, and the next Business Day if sent after 5:00 p.m., Pacific time, or on a day other than a Business Day. Any notice sent by facsimile transmission must be confirmed by sending, on the same Business Day such facsimile is deemed sent as above provided, by Federal Express or other reputable overnight delivery service, a copy of the notice sent by facsimile transmission. Any party may change its address for notice by written notice given to the other at least five (5) calendar days before the effective date of such change in the manner provided in this Section 21.2.

Section 21.3 National Emergency. This Lease and all the provisions hereof shall be subject to whatever right the United States Government 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 Government during time of war or national emergency. Notwithstanding anything above to the contrary, Tenant expressly reserves any and all legal rights, claims or causes of action which it may have arising out of any actions under this Section 21.3 by the United States Government which amounts to a condemnation or constructive eviction.

Section 21.4 Costs and Expenses; Legal Costs. In the event of any litigation or dispute between Landlord and Tenant, or claim made by either against the other, arising from this Lease or the landlord-tenant relationship under this Lease, or on account of Landlord's enforcement of this Lease upon Tenant's Default, or to enforce or interpret this Lease or seek declaratory or injunctive relief in connection with this Lease, or to exercise any rights or remedies under or with respect to this Lease, or to regain or attempt to regain possession of the Premises or otherwise terminate this Lease, or in any Bankruptcy Proceeding affecting the other party to this Lease, the prevailing party shall be entitled to reimbursement of its Legal Costs together with Default Interest thereon, together with all other reasonable costs and expenses incurred in enforcing this Lease or curing the other party's default.

Section 21.5 Compliance with NRS 338.125. In connection with work performed hereunder, Tenant shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation, gender identity or expression, or age. In addition, Tenant shall require the inclusion of these terms in all contracts for work on the Premises.

Section 21.6 Unavoidable Delay. Each party's obligation to perform or observe any term, condition, covenant or agreement on such party's part to be performed or observed under this Lease shall be subject to Unavoidable Delay.

Section 21.7 Governing Law. This Lease, its interpretation and performance, the relationship between the parties, and any disputes arising from or relating to any of the foregoing, shall be governed, construed, interpreted, and regulated under the laws of the State, without regard to principles of conflict of laws.

Section 21.8 Venue; Jurisdiction. The parties each hereby irrevocably agree that any legal action or other proceeding relating to this Lease which may be brought by one party against the other party in a court of law shall be commenced and prosecuted in the Second Judicial District Court in and of the County of Washoe in the State of Nevada, District of Nevada-Reno, and each party further irrevocably consents to the jurisdiction of such courts, which shall be the exclusive and only proper forum for adjudicating such a claim to the full extent of such court's subject matter jurisdiction as allowed by Law.

Section 21.9 Waivers. Failure of either party to complain of any act or omission on the part of the other party shall not be deemed a waiver by the non-complaining party of any of its rights under this Lease. No waiver by either party at any time, express or implied, of any breach of any provisions of this Lease shall be a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision.

Section 21.10 Brokerage Commissions. Each party warrants to the other that the warranting party has incurred no obligations, by reason of this Lease or the transactions contemplated hereby, for a real estate brokerage commission or finder's fee for which the other party would be liable. Each party will Indemnify the other party with respect to any untruth as to the warranting party of the foregoing warranty.

Section 21.11 Amendment. This Agreement may be amended only in writing and executed by duly authorized representatives of the parties hereto, at a date subsequent to the date of this Lease.

Section 21.12 Relationship of Parties. Nothing contained herein will be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties hereto. The parties will understand and agree that no provision contained herein, nor any acts of the parties hereto creates a relationship other than the relationship of Landlord and Tenant.

Section 21.13 Representative of Landlord. The President/CEO of Landlord is hereby designated as the official representative of the Landlord in all matters pertaining to this Lease and will have the right and Landlord to act on behalf of the Landlord with respect to all action required of the Landlord in this Lease.

Section 21.14 Successors and Assigns. This Lease shall bind and benefit Landlord and Tenant and their successors and assigns, but this shall not limit or supersede any restrictions on Transfer contained in this Lease. Nothing in this Lease confers on any Person (except Landlord, Tenant, and Lenders) any right to insist upon, or to enforce against Landlord or Tenant, the performance or observance by either party of its obligations under this Lease.

Section 21.15 Entire Agreement. This Lease contains all the terms, covenants and conditions relating to Tenant's leasing of the Premises, and all prior and contemporaneous understandings, agreements, representations and warranties are deemed merged into, and made a part, of this Lease. The parties have no separate understandings or agreements, oral or written, relating to the Premises or Tenant's use or occupancy of, or any interest of Tenant in, the Premises.

Section 21.16 Signature Authority. Each natural person signing this instrument, for or on behalf of a legal entity party hereto, represents, warrants, assures and guarantees to each other such natural person, and to each other such legal entity, that he or she is duly authorized and has legal power and/or authority so to sign.

Section 21.17 Nonrecourse. Notwithstanding anything to the contrary in this Lease, the liability under this Lease of Landlord shall only be enforceable against, and shall not extend beyond, its interest in the Premises (including the proceeds thereof). No property or assets whatsoever, other than Landlord's interest in the Premises (including the proceeds thereof), shall be subject to levy, execution or any other enforcement procedure for the satisfaction of any remedies (monetary or otherwise) of Landlord arising under or in connection with this Lease, and then only as allowed by Laws. No trustee, officer, manager, director, agent or employee of Landlord or Tenant shall have any liability under this Lease. (This Lease sometimes refers to this Section as the "**Nonrecourse Clause.**")

Section 21.18 Memorandum of Lease. Upon request by either, the parties shall promptly execute, acknowledge, and deliver duplicate originals of a "Memorandum of Lease" in the form attached hereto as **Exhibit G** or such other form and content reasonably acceptable to and reasonably approved by Landlord and Tenant. Either party may record such Memorandum

of Lease. Any taxes imposed upon such recording shall be paid by the party that caused such recordation to occur. If the parties amend this Lease, then the parties shall have the same rights and obligations regarding a memorandum of such amendment as they do for the Memorandum of Lease. Upon the Expiration Date or any earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to Landlord such instrument deemed appropriate by Landlord to terminate and remove any Memorandum of Lease from the public record. Tenant shall Indemnify Landlord from and against Tenant's failure, refusal or unreasonable delay in complying with such execution, acknowledgment and delivery of such instrument.

Section 21.19 Counterparts. This Lease may be executed in any number of counterparts hereof, each of which shall be deemed an original hereof, but all of which shall constitute but one and the same document.

Section 21.20 Partial Invalidity. If any term or provision of this Lease or the application of such term or provision to any party or circumstance shall to any extent be invalid or unenforceable, then the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected by such invalidity. All remaining provisions of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 21.21 Interpretation. No inference in favor of or against any party shall be drawn from the fact that such party has drafted any portion of this Lease. The parties have both participated substantially in the negotiation, drafting and revision of this Lease with representation by counsel and such other advisers as they have deemed appropriate. A term defined in the singular may be used in the plural, and vice versa, all in accordance with the normal principles of English grammar, which shall also govern all other language used in this Lease. The words "include" and "including" shall be construed to be followed by the words: "without limitation." The parties acknowledge and recognize that the document and version numbers and footers in this Lease may vary from page to page because of the timing and sequencing of this transaction. Each of the following terms shall be interpreted as if followed by the words "(or any part thereof)" except where the context clearly requires otherwise: Building Equipment; FF&E; Fee Estate; Land; Leasehold Estate; Premises; and Improvements.

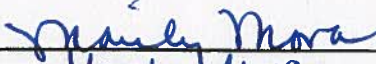
Section 21.22 Delivery of Drafts. Neither party shall be bound by this Lease unless and until such party shall have executed at least one counterpart of this Lease and delivered such executed counterpart to the other party. The submission of draft(s) of this Lease or comment(s) on such drafts shall not bind either party in any way. Such draft(s) and comment(s) shall not be considered in interpreting this Lease.

Section 21.23 Captions. The captions of this Lease are for convenience and reference only. They in no way affect this Lease.

WHEREAS, Landlord and Tenant have executed this Lease as of the date first written above.

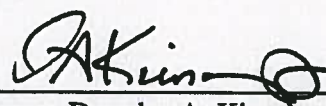
LANDLORD:

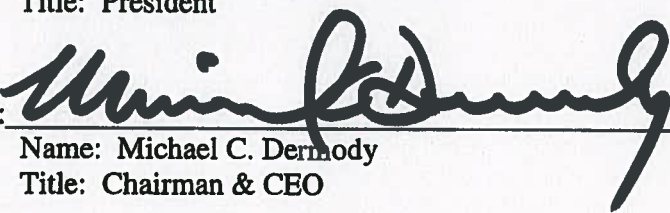
RENO-TAHOE AIRPORT AUTHORITY, a quasi-municipal corporation organized under Chapter 474, Statutes of Nevada 1977, as amended

By: 
Name: Marilyn Mora
Title: President/CEO

TENANT:

DP RTA STEAD PH 1, LLC, a Delaware limited liability company

By: 
Name: Douglas A. Kiersey, Jr.
Title: President

By: 
Name: Michael C. Dermody
Title: Chairman & CEO

Attachments:

- Exhibit A = Legal Description**
- Exhibit A-1 = Initial Acreage Factor**
- Exhibit A-2 = Final Land Acreage**
- Exhibit B = Additional Permitted Exceptions**
- Exhibit C = Contractor's Insurance and Indemnification Requirements**
- Exhibit D = Design Guidelines**
- Exhibit E = Form of Land Development Tenant Improvement Permit**
- Exhibit F = Code of Federal Regulations Title 14 Part 77 Surfaces**
- Exhibit G = Form of Memorandum of Lease**
- Exhibit H = Participation Rights Calculation Example**

EXHIBIT A
Legal Description

All that real property situated in County of Washoe, State of Nevada, described as follows:

PARCEL 4 OF PARCEL MAP 5018 FOR RENO-TAHOE AIRPORT AUTHORITY
RECORDED AS FILE NO. 3829772 IN THE OFFICIAL RECORDS OF WASHOE COUNTY,
NEVADA ON DECEMBER 14, 2009, TOGETHER WITH A PORTION OF PARCEL 4 OF
PARCEL MAP 5018A, RECORDED AS DOCUMENT NO. 382977 IN THE OFFICIAL
RECORDS OF WASHOE COUNTY NEVADA ON DECEMBER 14, 2009.

[illegible]

united construction

6300 Hall Street
Reno, Nevada 89502

T 775.858.2060
F 775.856.5375

EXHIBIT A-2 **Final Land Acreage**

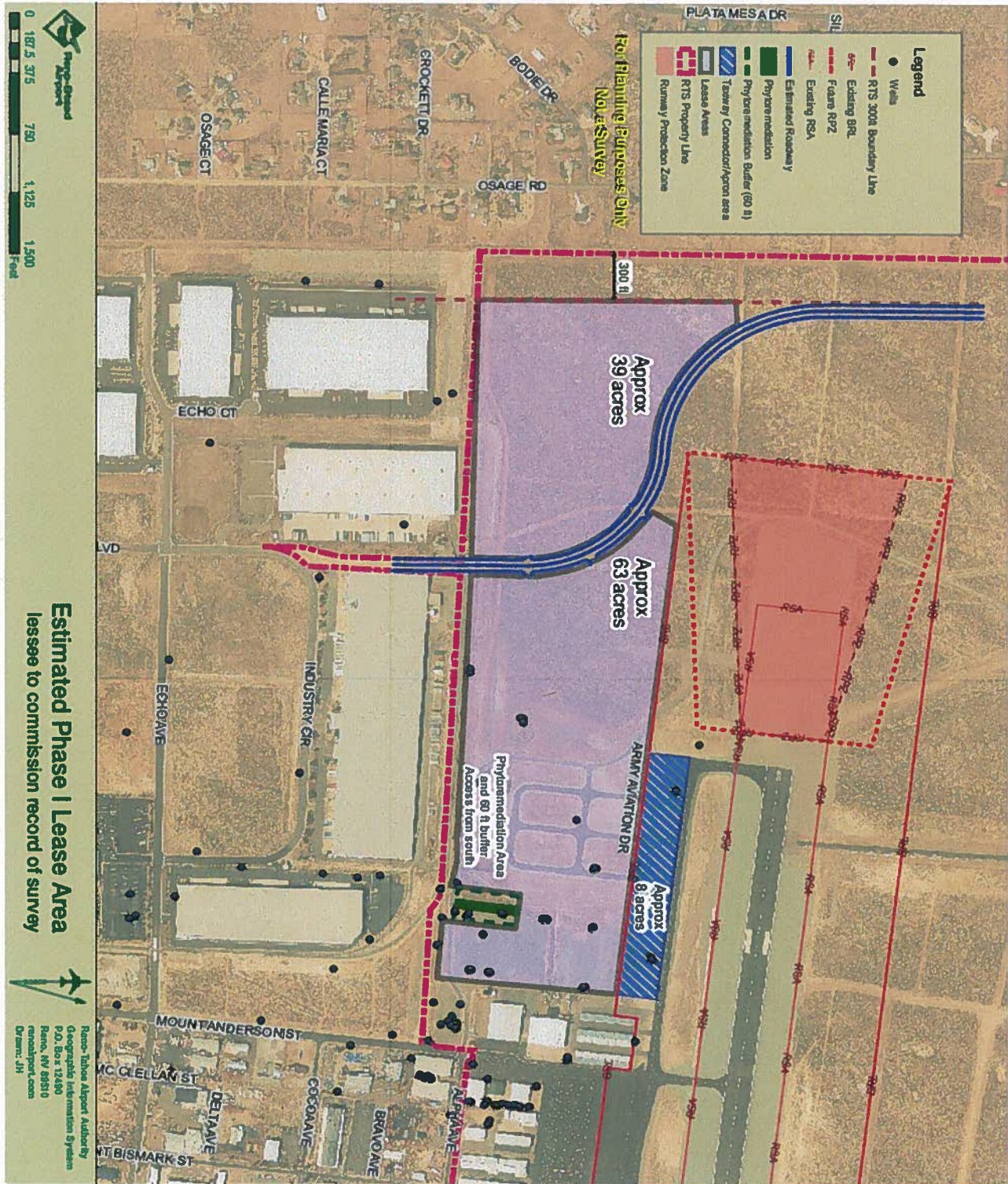


EXHIBIT B
Additional Permitted Exceptions

Permitted Exceptions shall include all of the following, as they existed on the Commencement Date of the Lease:

1. All leases, subleases, tenancies and rights of occupancy affecting the Premises caused or permitted by Tenant or by anyone claiming by, through, or under Tenant;
2. All rights, if any, for electricity, gas, telephone, water, cable television and any other utilities to maintain and operate lines, cables, poles and distribution boxes in, over and upon the Premises, to the extent of record or disclosed to Tenant by Landlord in writing prior to the date of this Lease;
3. Possible projections and/or encroachments of retaining walls, foundations, stoops, areas, steps, sills, trim, cornices, standpipes, fire escapes, coal chutes, casings, ledges, water tables, lintels, porticos, keystones, windows, hedges, copings, cellar doors, sidewalk elevators, fences, fire escapes and the like, or similar projections or objects upon, under or above any adjoining buildings and/or streets or avenues or those belonging to adjoining premises which encroach upon the Premises or within any set-back areas, and variations between the lines of record title and fences, retaining walls, hedges, and the like – subject to Tenant's approval;
4. Variations between the tax diagram or the tax map and the record description;
5. Zoning, environmental, municipal, building and all other laws, regulations or similar matters imposed by any federal, state, municipal or local government or any public or quasi-public board, authority or similar agency having jurisdiction over the Premises or any portion thereof;
6. All notes or notices of any violation of law or municipal ordinances, orders or requirements noted in or issued by any governmental or quasi-governmental authority or departments having or asserting jurisdiction, now or hereafter affecting the Premises, to the extent of record or disclosed to Tenant by Landlord in writing prior to the date of this Lease;
7. The lien for all taxes, charges, rents, assessments and any other governmental charges which are not yet due and payable.

EXHIBIT C

CONTRACTOR'S INSURANCE AND INDEMNIFICATION REQUIREMENTS

During the design and construction of any Improvements to the Premises, and of any modifications thereto, Tenant shall require its contractors (in each instance, a "**Contractor**") to provide and maintain the following insurance coverage for itself, all subcontractors, suppliers, material men, and all others accessing the project on the Contractor's behalf:

A. INSURANCE

1. **Commercial General Liability Insurance.** Using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent.
2. **Course of Construction Insurance.** Builder's Risk or Course of Construction Insurance insuring on an "all risks" basis, with a limit equal to the completed value of the project and all materials and equipment to be incorporated therein, including property in transit or elsewhere, soft costs such as loss of income, architect and engineer fees, bond premiums, building permit fees and any other non-recurring costs as may be appropriate for construction, and insuring the interests of the Landlord, Contractor and its subcontractors of any tier providing equipment, materials, or services for the project. The Landlord shall be named as loss payee; and the insurers shall waive all rights of recovery against Landlord.
3. **Worker's Compensation Insurance.** Contractor and its subcontractor(s) shall procure Worker's Compensation coverage which shall be in accordance with the laws of the State of Nevada applicable to all employees.
4. **Employer's Liability Insurance.** Contractor and its subcontractor(s) shall procure Employer's Liability Insurance coverage with limits per occurrence of not less than \$1,000,000.00 per accident, \$1,000,000.00 per disease per employee, and \$1,000,000.00 disease policy limit; Employer Liability policies shall cover all Tenant's employees and any volunteers assigned to Tenant's operations at the Airport.
5. **Business Automobile Coverage.** Contractor or subcontractor shall be responsible for maintaining Business Auto Coverage on ISO form CA 00 01 including owned, and non-owned and hired autos, or the exact equivalent. Limits shall be no less than \$1,000,000 per accident, Combined Single Limit. If Contractor or Contractor's employees will use personal autos in any way on this project, Contractor shall obtain evidence of personal auto liability coverage for each person.
6. **Contractor's Tools and Equipment.** Contractor is responsible for its own construction tools and equipment whether owned, leased, rented, or borrowed for use at the Airport worksite.

7. **Deductibles and Self-Insured Retentions.** Contractor's Commercial General Liability is a minimum of \$25,000 per claim; Course of Construction Insurance is a minimum of \$10,000 per claim. Any changes to the deductibles or self-insured retentions made during the term of the Lease or during the term of any policy must be approved by the Landlord prior to the change taking effect.

8. **Additional Insurance Criteria.**

- (a) Contractor shall furnish the Landlord with insurance certificates as evidence that the foregoing insurance is in force prior to commencement of work on the contract. Said policies shall be with insurance companies authorized to do business in the State of Nevada with an A.M. Best rating of A-VII or better. Such policies shall provide that written notice shall be given to Landlord thirty (30) days prior to cancellation or material change of any protection which said policies provide, except where cancellation is due to the non-payment of premiums, in which event ten (10) days prior written notice shall be provided to Landlord.
- (b) Said policies, except Worker's Compensation, shall be endorsed to name Landlord, its Trustees, officers, employees, and authorized agents as additional insureds. The policies shall also be endorsed to state that the coverage provided thereunder is primary and any other insurance carried by Contractor and/or Landlord shall be excess and not contributing therewith.
- (c) In the event Contractor fails to provide Landlord with the insurance described, no work shall commence on the contract site. If the coverage required by the Contractor is terminated or reduced for any reason, all work on the contract site shall immediately stop until the all the required coverages are in place.
- (d) The extent of coverage or the limits of liability provided under the policies procured by the Contractor and/or subcontractors shall not be construed to be a limitation on the nature or extent of the Contractors' obligations or to relieve the Contractor of any such obligations or representation by the Landlord as to the adequacy of the insurance to protect the Contractor against the obligations imposed on it by this or any other contract.
- (e) To the fullest extent permitted by law, Contractor covenants and agrees to indemnify and hold the Landlord, its Trustees, officers, employees and authorized agents harmless of and from all liability, claims, demands, and causes of action whatsoever for injury or property damage arising out of acts of commission or omission by the Contractor, its agents, employees, subcontractors, or subordinate subcontractors or arising out of any other operation or transaction no matter by whom performed for, or on behalf of the Contractor. The Landlord reserves the right to have the Contractor furnish the Contractor's actual insurance policies for examination by the Landlord.

- (f) It is the Contractor's responsibility to familiarize itself with the coverages described herein.
- (g) Contractor must give immediate notification to the Landlord and/or its agent upon receiving any knowledge or notification of claim or litigation on which the Landlord may be named.
- (h) Costs for providing such insurance as described above shall be incidental to the work.

B. INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the Landlord, its Trustees, officers, directors, agents, servants, and employees from any and all liabilities, losses, suits, claims, judgments, fines, penalties, demands or expenses, including all reasonable costs for investigation and defense thereof (including, but not limited to, attorneys' fees, court costs, and expert fees), for injury or damage to persons or property sustained in or about the Reno-Tahoe International Airport, as a proximate result of the acts or omissions of the Contractor, its agents, servants, or employees, or arising out of the operations of the Contractor upon and about the Airport, excepting such liability as may result from the sole negligence of the Landlord, its Trustees, officers, directors, agents, servants, and employees. Contractor shall further use legal counsel reasonably acceptable to the Landlord in carrying out Contractor's obligations hereunder. Any final judgment rendered against the Landlord for any cause for which Contractor is liable hereunder shall be conclusive against Contractor as to liability and amount, where the time for appeal therefrom has expired. The Indemnity provisions set forth herein shall survive the expiration or early termination of any Lease.

EXHIBIT D
Design Guidelines

BUSINESS PARK
at
Reno-Stead Airport
Landscape and Design Guidelines

June 2016

EXHIBIT D

-4-

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I. INTRODUCTION

A. Purpose

In 2016, the Reno-Tahoe Airport Authority entered into a partnership with DP Stead RTA, LLC to develop the available land (refer to Exhibit 1 – Use Category Map). DP STEAD RTA, LLC is the Master Developer of the BUSINESS PARK at Reno-Stead Airport. All of the properties identified on Exhibit 1 are subject to the design guidelines contained in this handbook.

The BUSINESS PARK at Reno Stead Airport as approved by the Reno Tahoe Airport Authority (RTAA) created a Master Developer Agreement (MDA). The requirements of this MDA call for the preparation of these Landscape and Design Guidelines to ensure a high quality aerospace centric business park environment.

The BUSINESS PARK at Reno-Stead Airport Landscape and Design Guidelines were prepared to set standards that, once implemented, will create a cohesive, environmentally sensitive development. These Design Guidelines are not intended to limit design, but to communicate an expected level of quality. The principal objective is to provide a sophisticated, mixed-use industrial and business park area which creates a compatible bridge between airport operations and residential neighbors. These Guidelines will further ensure that airspace around the airport is adequately protected and that FAA airspace safety requirements are adhered to. Incompatible land uses that are likely to create or contribute to air navigation hazards or any other uses that could threaten aircraft operator safety or the future viability of the airport will not be permitted.

This document will be used to implement the general intent and spirit of the BUSINESS PARK at Reno-Stead Airport Land Use Plan Summary Report as referenced in the MDA. As an implementation tool, these guidelines will encourage a distinct identity reflecting this project's relationship to the airport and the orientation of parcels towards open space/recreation corridors. This plan acknowledges the mix of land uses approved by the BUSINESS PARK at Reno-Stead Airport Special Planning Area Zoning Designation of Mixed Use. The mix includes: Industrial, Industrial/Commercial, Aviation, Commercial, Office Park, and Open Space.

B. Project Location

The BUSINESS PARK at Reno-Stead Airport is located approximately 10 miles northwest of the central business district of the City of Reno, Nevada. The Airport is surrounded by open space to the north, BLM to the east, commercial and industrial uses to the south and sparsely populated residential uses to the west.

The Reno-Stead Airport (Airport) is a 5,170 acre general aviation airport owned and operated by the Reno-Tahoe Airport Authority (Authority). The Airport includes a number of existing structures used primarily to support aviation activities such as buildings used for aircraft storage (e.g. hangars), aircraft maintenance, service and fueling, and airport operations. The Airport Terminal is a two-story, 12,000 square foot building that houses Airport Administrative Offices, an Emergency Operations Center, a Pilot's Lounge, and a Community Conference Room.

II. SUBMISSION REQUIREMENTS AND REVIEW PROCEDURES

A. Purpose

Development may not take place on any property within the BUSINESS PARK at Reno-Stead Airport until approval of a site development plan is obtained from the Architectural Review Alliance and City of Reno Planning Department. Development plans shall follow the Reno Municipal Code (RMC) Title 18 Annexation and Land Development requirements. The BUSINESS PARK at Reno-Stead Airport Design Guidelines are intended to provide additional guidance on aesthetic issues in order to create a project that has a distinctive, cohesive high quality image. It is the responsibility of the project lead and/or developer to be familiar with all applicable project submittal requirements.

The following section describes the site plan process for the BUSINESS PARK at Reno-Stead Airport. It is the responsibility of the project lead, and/or developer to obtain all applicable permits and approvals from local governing agencies.

B. FAA Review

Prior to approval of a Site Development Plan, the architect or applicant shall work with RTAA Planning & Engineering to prepare required Federal Aviation Administration (FAA) applications for approval including an Obstruction Analysis for building height, transmission, potential electronic interference with aircraft, a Solar Glare Analysis, and a Form 7460-1. All of these applications can be found on the FAA website.

C. Architectural Review Alliance

The Architectural Review Alliance (ARA) will consist of four members of the RTAA Staff, and four members of the DP STEAD RTA, LLC Staff. The ARA will have the authority to review all building plans and enforce guidelines. Plans must be submitted to the ARA before submittal to the City of Reno Community Development Department to allow confirmation of the allocated acreage for the proposed land use, and to insure that the proposed building and landscaping is consistent with these guidelines. The ARA shall respond back within thirty (30) working days with comments and any necessary revisions, and shall endeavor to expedite processing of building permits where possible.

D. Developer Responsibilities

The developer will be responsible for preparing and submitting, at their own expense, all plans including development, design & construction, for review, approval and permitting.

The developer and/or tenant of individual parcels shall be responsible for the improvement and landscaping of the building site, including the parking lot, designated landscape setbacks along all public roads as well as the building. Landscape areas shall be planted in accordance with landscaping guidelines set

forth in this document.

Maintenance shall be provided by the developer and/or tenant, while the Master Developer will provide for the planting and long-term maintenance of open space corridors and public rights-of-way.

E. Projects Required to Submit

ARA review is required for any new construction in BUSINESS PARK at Reno-Stead Airport. This requirement applies to but is not limited to solar, fumes, smoke, wind turbine, antenna, fuel facilities, exterior lighting, exterior signage, any exterior additions to buildings, facade and signage remodeling; all changes in building occupancy that question permitted land designations; projects affecting drainage, pedestrian and auto circulation patterns; vegetation, building, or structure replacement; or changes to or proposals for street furniture.

F. Required Plans

Developer and/or builder shall furnish to the ARA a complete, legible set of final, reproducible, "as built" drawings, on paper and in digital format preferably AutoCAD 2008 or later compatible format satisfactory to Authority in form and content, of any improvement, not later than ninety (90) calendar days after the completion, occupancy or initial use of such improvements, whichever comes first. The following additional standards shall also apply:

- All Architectural project drawings shall comply with the National CAD Standards and AIA CAD Standards for layer management.
- All drawings shall be prepared on 24"x36" size sheets.
- The Developer and/or builder shall use the RTAA Cover, G1.0 and Title Block sheets provided by the RTAA.
- The Developer and/or builder shall use the RTAA Color Dependent Plot Style Table (CTB) provided by the RTAA.
- All sheets shall indicate the title of the sheet, the name, phone number and address of the primary A/E firm, the sub-consultant information for the sheet discipline, the level of completion (i.e. 90% Construction Documents), and the date.
- The Developer and/or builder will provide two (2) sets of full size plans and two (2) CD's with Pdf's of the plan set for distribution to the ARA.

Submitted plan sets shall, at a minimum, include the following sheets:

1. Site Plan

A drawing of the overall project shall be submitted at a minimum 1"=40' scale with the following information:

- Project address and title.
- Scale and north arrow.
- Dimensioned property lines, easements, rights-of-way and setbacks.
- Square footage of buildings, hardscape, parking and landscape areas.

- Building relationships, light illumination patterns, open space areas, circulation, walk and corridor connections.
- All areas and/or architectural elements that are to be preserved.
- Emergency Evacuation Plan
- Drainage Plan
- Lighting Plan
- Utility Plan

2. *Architectural Plans*

Plans will include fully dimensioned floorplans and elevations of buildings at a scale not less than 1/8" = 1'-0". Submitted plans shall identify: Materials; Colors, finishes and textures; proposed lighting fixtures make and placement; and signage elements and placement.

3. *Renovation/Remodel Plans*

In addition to the information required on architectural plans, when additions or alterations to existing buildings are planned, photographs of existing structural elements and surrounding conditions shall also be submitted to the architectural review alliance. Architectural plans should clearly depict how the addition or renovation will blend with the materials and colors of the existing building so that the line between new and old will be indiscernible.

4. *Signage*

Detailed plans at a scale of 1/2" = 1'-0" are required for the construction of signage elements. Submitted plans shall identify materials, textures, colors, lettering size, font style and illumination patterns. Refer to Section IV Signage for specific signage standards including prohibited signage.

5. *Public Art*

If Public Art is desired, a detailed site plan at a scale of 1" = 20'-0" or larger, indicating the location of the piece(s) in relationship to the building, parking and landscape area is required. Detailed drawings, sketches, elevations and/or section, of the piece(s) at a scale of 1" = 1'-0" or larger is required to show materials, colors, finishes, textures, lighting elements and illumination patterns.

6. *Landscape Plans*

Four (4) sets of blueprints and four (4) CD's including landscape plans at a scale of not less than 1"=20'-0" shall be submitted. Plans shall meet or exceed RMC Section 18.12.1205 landscape requirements. The following items shall be included in the landscape submittal package:

- Address of the project and title.
- Scale and north arrow.
- Dimensioned property lines, easements, rights-of-way and setbacks.
- Square footages of landscape areas.

Submission Requirements and Review Procedures

- Proposed and/or existing structures.
- Hardscape element locations, dimensions, heights, connections, materials finishes, textures and/or patterns.
- All notes, schedules, specifications, and legends.
- Name, address, telephone number of licensed Landscape Architect with license number, expiration date, and signature.

Note: All elements of the landscape plans must be prepared by a Nevada Registered Landscape Architect.

a. **Landscape Removal**

All existing conditions and/or vegetation scheduled to be removed from the site shall be identified on the demolition plan. Existing items to remain shall be graphically distinguishable from items scheduled to be removed.

b. **Landscape Grading Plan**

The Landscape Grading Plan shall identify all existing and proposed contours, finish grades, top of walls, top of pilasters, high points, low points, swales, drainage patterns, drain inlets, drain outlets, catch basins, clean outs, connections, pipe sizes and slopes.

c. **Irrigation Plans**

Landscape irrigation plans shall indicate the following:

- All notes, specifications and legends.
- Materials, connections and hydrozones.
- Backflow preventer type(s), size, location and enclosure.
- Automatic controller type, size, location and footing/mount.
- Plans shall meet or exceed RMC Section 18.12.1205 landscape requirements.
- Location of all sprinkler heads, rotors, pipes, sleeves, electrical conduits and valves.

d. **Soil Report**

A soils report shall be included as part of the landscape plan submittals. The soil testing shall be conducted by a soils laboratory and include analysis on soil texture, cation exchange capacity, soil fertility and provide recommendations for soil amendments to ensure the best chance of success for landscape plantings.

e. **Water Conservation Requirements** All plans shall meet or exceed RMC Section 18.12.1210.

III. USE CATEGORIES & SITE DEVELOPMENT STANDARDS

A. Use Category Plan

The Reno-Stead Airport is located in the northern section of an area known as the Stead Neighborhood, which is within the City of Reno's zoning jurisdiction. Lands surrounding the Stead Neighborhood and RTS are under the jurisdiction of Washoe County. Areas east, west and north of RTS include federal lands, open spaces, general rural and low density suburban land uses. Industrial, residential, public and open space land uses are located south of RTS.

RTS is located in the Reno-Stead Airport Regional Center Planning Area Overlay Zoning District (RSARC) as governed by the City of Reno. The purpose of the RSARC District, as identified in Reno Municipal Code Title 18: Annexation and Land Development (RMC), is to "modify the underlying Mixed Use (MU) zoning land uses, developmental standards, and development review procedures within the Reno-Stead Airport Regional Center Planning Area Overlay District. This zoning district is intended to maintain the viability of regional airport operations and promote airport compatible uses on property owned by the Authority".

In addition to the uses identified through the RSARC, the Use Category Plan further defines development areas by Use Category. The BUSINESS PARK at Reno-Stead Airport includes six Use Category designations: Industrial, Industrial/Commercial, Aviation Use, Commercial, Office Park, Retail, and Open Space. These Design Guidelines govern development only within these designations. These Design Guidelines do not apply to development of the airfield, airport operations, or Fixed Base Operators. Any development that requires access to the airfield infrastructure (e.g. runways, taxiways, taxilanes, aircraft apron, etc.) would be subject to FAA requirements and would require RTAA review and approval independently.

Use Categories have been established within the BUSINESS PARK at Reno-Stead Airport to provide buffers between existing and future Airport operations and future non-aviation development. The site has been configured to allow the most effective use of the site and proposed infrastructure.

B. Use Categories and Site Specific Development Standards

This section addresses the following approved and permitted uses for the BUSINESS PARK at Reno-Stead Airport based on Use Category. Developers or builders are responsible for verifying City of Reno conformance with all applicable code and ordinances.

Use Category	Acres (±)(net)	% Mix
Industrial	1421 ac.	46.0%
Industrial/Commercial	832 ac.	26.8%
Aviation Use	753 ac.	24.2%
Commercial	40 ac.	1.3%
Office Park	48 ac.	1.5%
Retail	10 ac.	0.3%
Total Developable:	3,104 ac	100%
Open Space	124 ac	

	Industrial	1421 AC Total
	Industrial/Commercial	832 AC Total
	Aviation Use	753 AC Total
	Commercial	40 AC Total
	Office Park	48 AC Total
	Retail	<u>10 AC Total</u>
Total Developable Acreage		3,104 AC Total
	Park/Open Space	124 AC Total



Industrial Use Category

Approved and permitted uses in the Industrial Use Category shall be in accordance with RMC Table 18.08-6-B “Uses Permitted in Regional Center Base Zoning Districts”. All primary, accessory and conditional uses allowed under the “RSARC” either outright or with a site plan review or special use permit in the I or IC zoning districts, as defined by City of Reno Development Code, are allowed without discretionary review.

Site Layout Guidelines

Minimum Lot Area:

The minimum lot area for this category shall be in accordance with RMC Section 18.12.104.

Minimum Lot Width:

The minimum permitted lot width shall be in accordance with RMC Section 18.12.104.

Minimum Floor Elevations:

All structures must comply with RMC Section 18.12.104.

Minimum Building Setbacks:

The minimum building front yard setback shall be ten feet (10'). The minimum side yard and rear yard setbacks are zero (0') or ten feet (10'). The building shall either be placed on the property line or setback a minimum of ten feet. If adjacent to residentially zoned property, the minimum setback shall be ten feet and subject to RMC 18.12.304.

Maximum Building Height:

The maximum permitted building height shall comply with Federal Aviation Regulations Part 77 and 7460-1 requirements and RMC. Final building height shall be determined prior to the issuance of a building permit.

Landscaping:

On-site landscaping will be provided in accordance with the landscape design guidelines as defined in this document.

Parking:

Parking shall be provided in accordance with RMC Section 18.12.1101 - 1108.

Industrial/Commercial Use Category

Approved and permitted uses in the Industrial/Commercial Use Category shall be in accordance with RMC Table 18.08-6-B “Uses Permitted in Regional Center Base Zoning Districts”. All primary, accessory and conditional uses allowed under the “RSARC” either outright or with a site plan review or special use permit in the I or IC zoning districts, as defined by City of Reno Development Code, are allowed without discretionary review.

Site Layout Guidelines

Minimum Lot Area

The minimum lot area for this category shall be in accordance with RMC Section 18.12.104.

Minimum Lot Width:

The minimum permitted lot width shall be in accordance with RMC Section 18.12.104.

Minimum Floor Elevations:

All structures must comply with RMC Section 18.12.104.

Minimum Building Setbacks:

The minimum building front yard setback shall be ten feet (10'). The minimum side yard and rear yard setbacks are zero (0') or ten feet (10'). The building shall either be placed on the property line or setback a minimum of ten feet. If adjacent to residentially zoned property, the minimum setback shall be ten feet and subject to RMC 18.12.304.

Maximum Building Height:

The maximum permitted building height shall comply with Federal Aviation Regulations Part 77 and 7460-1 requirements and RMC. Final building height shall be determined prior to the issuance of a building permit.

Landscaping:

On-site landscaping will be provided in accordance with the landscape design guidelines as defined in this document.

Parking:

Parking shall be provided in accordance with RMC Section 18.12.1101 - 1108.

Aviation Use Category

Approved and permitted uses in the Aviation Use Category shall be in accordance with RMC Table 18.08-6-B “Uses Permitted in Regional Center Base Zoning Districts”. All primary, accessory and conditional uses allowed under the “RSARC” either outright or with a site plan review or special use permit in the I or IC zoning districts, as defined by City of Reno Development Code, are allowed without discretionary review.

Any development that requires access to the airfield infrastructure including runways, taxiways, taxilanes, and/or aircraft parking on the apron shall not be governed by these Design Guidelines. Any of these uses will require RTAA review and approval independently.

Site Layout Guidelines

Minimum Lot Area:

The minimum lot area for this category shall be in accordance with RMC Section 18.12.104.

Minimum Lot Width:

The minimum permitted lot width shall be in accordance with RMC Section 18.12.104.

Minimum Floor Elevations:

All structures must comply with RMC Section 18.12.104.

Minimum Building Setbacks:

The minimum building front yard setback shall be ten feet (10'). The minimum side yard and rear yard setbacks are zero (0') or ten feet (10'). The building shall either be placed on the property line or setback a minimum of ten feet. If adjacent to residentially zoned property, the minimum setback shall be ten feet and subject to RMC 18.12.304.

Maximum Building Height:

The maximum permitted building height shall comply with Federal Aviation Regulations Part 77 and 7460-1 requirements and RMC. Final building height shall be determined prior to the issuance of a building permit.

Landscaping:

On-site landscaping will be provided in accordance with the landscape design guidelines as defined in this document.

Parking:

Parking shall be provided in accordance with RMC Section 18.12.1101 - 1108.

Commercial Use Category

Approved and permitted uses in the Commercial Use Category shall be in accordance with RMC Table 18.08-6-B “Uses Permitted in Regional Center Base Zoning Districts”. All primary, accessory and conditional uses allowed under the “RSARC” either outright or with a site plan review or special use permit in the I or IC zoning districts, as defined by City of Reno Development Code, are allowed without discretionary review.

Site Layout Guidelines

Minimum Lot Area:

The minimum lot area for this district shall be in accordance with RMC Section 18.12.104.

Minimum Lot Width:

The minimum permitted lot width shall be in accordance with RMC Section 18.12.104.

Minimum Floor Elevations:

All structures must comply with RMC Section 18.12.104.

Minimum Building Setbacks:

The minimum building front yard setback shall be ten feet (10'). The minimum side yard and rear yard setbacks are zero (0') or ten feet (10'). The building shall either be placed on the property line or setback a minimum of ten feet. If adjacent to residentially zoned property, the minimum setback shall be ten feet and subject to RMC 18.12.304.

Maximum Building Height:

The maximum permitted building height shall comply with Federal Aviation Regulations Part 77 and 7460-1 requirements and RMC. Final building height shall be determined prior to the issuance of a building permit.

Landscaping:

On-site landscaping will be provided in accordance with the landscape design guidelines as defined in this document.

Parking:

Parking shall be provided in accordance with RMC Section 18.12.1101 - 1108.

Office Use Category

Approved and permitted uses in the Industrial Use Category shall be in accordance with RMC Table 18.08-6-B “Uses Permitted in Regional Center Base Zoning Districts”. All primary, accessory and conditional uses allowed under the “RSARC” either outright or with a site plan review or special use permit in the I or IC zoning districts, as defined by City of Reno Development Code, are allowed without discretionary review.

Site Layout Guidelines

Minimum Lot Area:

The minimum lot area for this district shall be in accordance with RMC Section 18.12.104.

Minimum Lot Width:

The minimum permitted lot width shall be in accordance with RMC Section 18.12.104.

Minimum Floor Elevations:

All structures must comply with RMC Section 18.12.104.

Minimum Building Setbacks:

The minimum building front yard setback shall be ten feet (10'). The minimum side yard and rear yard setbacks are zero (0') or ten feet (10'). The building shall either be placed on the property line or setback a minimum of ten feet. If adjacent to residentially zoned property, the minimum setback shall be ten feet and subject to RMC 18.12.304.

Maximum Building Height:

The maximum permitted building height shall comply with Federal Aviation Regulations Part 77 and 7460-1 requirements and RMC. Final building height shall be determined prior to the issuance of a building permit.

Landscaping:

On-site landscaping will be provided in accordance with the landscape design guidelines as defined in this document.

Parking:

Parking shall be provided in accordance with RMC Section 18.12.1101 - 1108.

Retail Use Category

Approved and permitted uses in the Retail Use Category shall be in accordance with RMC Table 18.08-6-B “Uses Permitted in Regional Center Base Zoning Districts”. All primary, accessory and conditional uses allowed under the “RSARC” either outright or with a site plan review or special use permit in the I or IC zoning districts, as defined by City of Reno Development Code, are allowed without discretionary review.

Site Layout Guidelines

Minimum Lot Area:

The minimum lot area for this district shall be in accordance with RMC Section 18.12.104.

Minimum Lot Width:

The minimum permitted lot width shall be in accordance with RMC Section 18.12.104.

Minimum Floor Elevations:

All structures must comply with RMC Section 18.12.104.

Minimum Building Setbacks:

The minimum building front yard setback shall be ten feet (10'). The minimum side yard and rear yard setbacks are zero (0') or ten feet (10'). The building shall either be placed on the property line or setback a minimum of ten feet. If adjacent to residentially zoned property, the minimum setback shall be ten feet and subject to RMC 18.12.304.

Maximum Building Height:

The maximum permitted building height shall comply with Federal Aviation Regulations Part 77 and 7460-1 requirements and RMC. Final building height shall be determined prior to the issuance of a building permit.

Landscaping:

On-site landscaping will be provided in accordance with the landscape design guidelines as defined in this document.

Parking:

Parking shall be provided in accordance with RMC Section 18.12.1101 - 1108.

Open Space Use Category

Intent

The Open Space category provides an environmental corridor through the entire development and is intended to:

- Enhance the environmental quality of the developed areas by providing adjacent open space for employees and visitors.
- Provide a buffer between the existing residential located and new buildings different land use areas.
- Allow storm drainage facilities to be integrated into a natural or improved open space setting that stretches from one end of BUSINESS PARK at Reno-Stead Airport to the other.

Approved and permitted land uses are as follows:

A. Limited Service Uses:

1. Underground utilities

Site Layout Guidelines

Vegetation:

The Open Space shall incorporate a mix of native plants that do not create a bird/wildlife habitat.

Drainage:

The storm drainage system within the Open Space area is designed to appear as a natural amenity and is integrated into the design of the Business Park.

Site Connections:

Appropriate building orientation and pedestrian connections to the Open Space areas are strongly encouraged.

Fencing and Screening:

All utility elements, storage, truck and parking areas shall be screened from public view and rights-of-way in accordance with RMC Section 18.12.404. This can be accomplished through the use of berms, landscape materials, and walls or fences. In the case of screening utility structures, allow access from the one side that is the least visible from public rights-of-way.

D. General Site Development Standards

The following General Site Development Standards are applicable to all development projects within each of the Use Categories.

1. Off-Street Parking

Description:

All uses and buildings within BUSINESS PARK at Reno-Stead Airport will provide adequate on-site parking. Off- street parking areas shall be in conformance with the provisions for off-street parking. Off-street parking shall be provided in accordance with the current RMC Section 18.12.1101 – 1108.

Guidelines:

- Parking areas adjacent to streets should be screened with a combination of solid shrubs and berms.
- Planting "islands" with low-growing, drought-resistance groundcover or shrubs are encouraged in large parking areas to provide shade.
- All parking spaces should be clearly outlined on the surface of the parking facility with painted white lines or stone, brick, textured or smooth concrete banding.
- Under no circumstance is on-street parking allowed.
- All handicap accessible stalls shall be indicated with the proper identification markings and signage.
- Parking lots should be placed at the side or rear of the building, when feasible, to ensure direct connections between the street and the building entrance and to avoid obstructing views of the building's front façade from the street.
- Primary access points for automobiles, especially visitors, should be enhanced with elements such as ornamental landscaping, low-level decorative walls, monument-type signs, and decorative paving to emphasize site access locations.
- On-site vehicular circulation shall be clear, direct and efficient. Dead-end parking aisles are not acceptable.
- Driveways and vehicular aisle ways must meet the minimum City and Fire Department access and turning radius requirements.
- Required off-street parking shall be provided on the site of the use served, or on a contiguous site within three hundred (300) feet of the subject site.
- Designated space must be provided in convenient locations for handicapped, hybrid/electric, carpool, motorcycle and bicycle parking. All parking areas, including bicycle and motorcycle areas are to be designed for orderly, uncluttered parking. Bicycle parking areas are to be provided with racks and locking capabilities.

2. Noise Attenuation

Description:

Special consideration shall be given to noise attenuation due to location in relation to the Reno-Stead Airport runway facilities. During the construction documentation of a building, specifically for noise sensitive uses such as the office portion of industrial or commercial uses and conference rooms, , the project applicant shall provide a list, verified by a qualified acoustical consultant, of construction methods to be utilized for noise attenuation to a maximum interior noise level of 45 dBA prior to the issuance of a building permit to the City of Reno It is highly recommended that the interior decibel level be lower than the maximum allowed.

Guidelines:

- All noise attenuation measures shall utilize approved industrial standards and pose no harmful effects to the surrounding environment and building occupants.

3. Building Exteriors

Description:

Architecture is one of the strongest elements in defining a sense of place. The Master Developer shall be responsible for establishing the theme and providing placemaking imagery. Careful consideration will be given by the Architectural Review Alliance to assure a high quality design consistent with the Master Developer's overall theme for the project.

Guidelines:

- The use of architectural elements such as recessed entries and windows, columns and walls shall be balanced to create visually interesting structures.
- Windows facing south and west shall be recessed or incorporate shade structures and/or shading from trees. In the case where shade structures are to be added, it is recommended that all windows incorporate the same element in context with the architectural design of the building.
- Building entrances shall be architecturally apparent, visible from the street, and accessible from parking lots.
- All sides of a building shall receive the same level of detail and architectural enrichment. Loading or distributing areas may provide less detail if effectively screened from public view.
- Parapets on flat roofs shall be high enough to hide roof top equipment from pedestrian level. Rooftop equipment that exceeds reasonable parapet heights should be screened from view.
- Exterior materials for buildings should reflect and expand on the character of northern Nevada.
- Simple corrugated tin or metal buildings are not recommended in the BUSINESS PARK. Such a structure may be allowed only where the

industrial use would call for this building type. Additional screening measures may be required by the BUSINESS PARK at Reno-Stead Airport Architectural Review Alliance.

- All solar applications will be reviewed by FAA for compatibility with Airport operations.

4. Outside Storage and Service Areas

Guidelines:

- Outside storage of materials, merchandise, products, parts or equipment, other than company vehicles, shall not be permitted unless screened from roadway view and approved by ARA.
- All permitted storage structures and service areas shall be screened from roadways.
- No storage areas shall be allowed within any landscape or open space easement or within front yard setback areas.
- A combination of solid fencing and plant materials shall be used as a screening technique.
- All loading activity, including turn around and maneuvering, shall be designed to occur on the site. Loading areas shall be located and/or screened in such a manner as to not be visible from any street.

5. Fences and Walls

Guidelines:

- Airfield Operations Area perimeter fencing will be required to prevent unauthorized airfield access. Fence height, materials, location, design and style to be reviewed and approved by RTAA.
- Fences and walls are strongly discouraged in highly visible areas next to public right-of-ways, but may be allowed under extenuating circumstances where the need exists to utilize a wall or fence for security. When utilized, walls should be viewed as an extension of the architecture.
- Along public rights-of-way and open space corridors, no solid walls or fences are to be used.
 - a. All fences and walls designed shall be screened with landscaping and berms.
 - b. Fences and walls should not exceed six feet (6') in height.
 - c. All walls are to be structurally engineered and insured.
 - d. The use of chain link fencing is prohibited.
- Unsightly areas such as truck service areas, storage areas and loading areas shall be screened from public rights-of-way and open space corridors.
- Fencing and walls adjacent to streets shall not be located any closer to the street than the minimum building setback line.

6. Safety & Security

Guidelines:

- The Master Developer and/or builder will provide a private security service to monitor the BUSINESS PARK at Reno-Stead Airport to ensure safety in and around airport operational areas. Included with this service, each tenant shall be provided with the name, phone number and on-site address of the security firm providing the safety service.
- A dialogue with the City of Reno Police Department shall be established by the tenant's architect/designer and security service to ensure the implementation of appropriate crime prevention construction and design.

IV. SIGNAGE

The Master Developer shall establish sign criteria appropriate for an airport-centric development that will be utilized in the BUSINESS PARK at Reno-Stead Airport. The guidelines below establish a hierarchy of criteria to regulate and control the size, location, type and quality of signage. The intent of these guidelines is to inform, direct visitors, accommodate public safety and orchestrate circulation through the plan area.

All signage shall be approved by the Architectural Review Alliance prior to its construction or installation in accordance with Section II Submission Requirements and Review Procedures.

A. General Guidelines

1. All signage shall be in accordance with RMC Section 18.16.
2. All signs will be maintained in good condition, including the display surface. Signage shall be legible, kept clean and free of graffiti and/or other disfigurement.
3. Only wall mounted or monument signs allowed. Pole or pylon signs to identify buildings or tenants are prohibited.
4. All signage shall be designed free of bracing, angle-iron, guy wire, cables and/or similar devices.
5. Signage shall be of professional quality, utilizing materials, finishes, and accent elements that match adjacent architectural and site design.
6. Structures that accommodate several tenants shall utilize a single monument sign that identifies the overall project name and individual tenants.
7. Color palettes for signage shall match and accent other graphics, signs and themes in the area to achieve project consistency.
8. The height and width of all signs shall be measured from the highest and widest point of the sign and the area of signs shall be calculated from the height and width of the sign surface. A simple font style such as Helvetica Medium shall be used for all signs in public rights-of-way to contribute towards a well-coordinated project appearance.
9. All signs shall conform to these standards or be removed.
10. Signage that projects above the roofline and standalone signage including monument signage must be compliant with FAR Part 77. All maximum heights described in document should reflect "compliant with FAR Part 77" or max height described – whichever is lower.

B. Sign Maintenance

The cost and responsibility for establishing and maintaining infill area signage shall fall to the individual site users. Signage at all times shall present an as-new appearance and must be maintained in such a manner as to ensure proper and safe operation.

C. Prohibited Sign Types

The following sign types are prohibited:

Signage

1. Signs which constitute a hazard to airspace, aircraft operation, traffic, or pedestrians.
2. Signs located within any stream or drainage corridor.
3. Mobile sign, A-framed, or portable signs.
4. Inflatable or other temporary or wind signs.
5. Signs which imitate or simulate official signs, or which use yellow, red, or blue blinking intermittent light resembling danger or warning signals.
6. Sign on public property or rights-of-way or signs attached to utility poles, street-light standards, fences, sheds, trees, hydrants, or similar structures.
7. Roof signs.
8. Signs emitting and or producing noise, odor, sound, smoke, fire or other such emissions.

D. On-Premises Signage

1. Streetscape elements located in the public right-of-way will be a neutral, unobstructed backdrop for landscape and architecture.
2. Ground mounted entry signage identifying multi-building projects is encouraged. Multi-building shall mean three or more separate buildings on the same site. This signage allowance shall be in addition to individual identification signage. One sign shall be allowed per site entry.
3. Copy shall be limited to the project name and logo, the name of the primary user(s) (limit 3), and the street address.
4. All signage shall be approved by the Architectural Review Alliance prior to its construction or installation. All provisions of these criteria shall be strictly adhered to on an ongoing basis. Nonconforming or unapproved signage shall be removed or brought into compliance with these guidelines within 21 days of notification by the Architectural Review Alliance.
5. Signs within each site shall be designed as a signage package with selected elements such as lighting, materials, colors, form, typestyles, or layout remaining consistent throughout.
6. The sign plan should provide efficiency by striving to establish the fewest number of signs required to serve the use. This goal may be accomplished by providing:
 - a. Directional signs at decision points.
 - b. Unified messages.
 - c. Identification signs visible from adjacent right-of-ways.
 - d. The least redundancy in structures.

7. Signs and typography shall fit comfortably into designated architectural spaces, leaving sufficient margins and negative space on all sides. Wall signs shall appear balanced and in scale within the context of the sign space and the building as a whole. Thickness, height and color of sign lettering shall be visually balanced and in proportion to other signs on the building.
8. The sign plan should demonstrate contextual considerations in the design of all signs. Materials should relate to the overall Business Park site design as well as to the project architecture.
9. Sign colors should provide accent and interest appropriate to associated architectural statements. Note: Sign colors will be strictly regulated to assure harmony with the site architecture.
10. Proposed signage should reflect a sophisticated corporate image and should be in keeping with the overall design theme of the BUSINESS PARK NAME at Reno-Stead Airport.
11. Signage should demonstrate an intent to identify, not advertise.
12. Wall signs, including dimensional letters and plaques, shall be affixed without visible means of attachment, unless attachments make an intentional statement. Wall signs need to be directly attached to the space to which they refer.

E. Monument Signage

1. Permanent monument signs shall not exceed 4 feet in maximum average height.
2. Monument signs may be placed in building setbacks. Where monument signs are placed in setback areas, signs shall be positioned so that safe sight distances are maintained at entrances to the public right-of-way. Monument signs shall be placed 10 feet from property lines and driveways.
3. All sign fabrication work shall be of superior quality. All logo images and typestyles shall be accurately reproduced. Lettering that approximates typestyles shall not be acceptable.
4. Sign construction shall typically be of permanent materials. Stucco, as a component of any sign construction is not allowed. The use of wood signage is discouraged and strictly limited.

F. Temporary Construction And Marketing Signage

1. Temporary signs may be established to serve the marketing and communication needs of individual site developers and users within the BUSINESS PARK NAME at Reno-Stead Airport. These signs should present a cohesive, well-organized, and identifiable community image and shall conform to the following provisions:

Signage

2. All temporary signage shall be maintained in good visual condition and removed in a timely manner upon completion of the purpose to which they relate or as otherwise specified in this section.
3. Add-ons, flags and other post-design attachments are not allowed. Temporary signage shall be non-illuminated.
4. Temporary signage shall be built to the size & color specifications as detailed in this section.
5. No other temporary construction/marketing signage shall be allowed.
6. Signage may be single or double-faced and shall be placed either parallel or perpendicular to the roadway.
7. Only one sign per street frontage is allowed.
8. To maintain consistency and an integrated community image, all temporary signs for infill/user sites within the BUSINESS PARK NAME at Reno-Stead Airport shall adhere strictly to these design criteria.
9. Prior to displaying any temporary sign, the owner of such a sign shall register the sign with the City of Reno Director of Planning or his or her designee by completing a form provided by the city. The form shall include the owner's name, address and telephone number, as well as dates the owner intends on displaying the sign. The city may charge a reasonable registration fee to cover the cost of inspection and enforcement, as determined by resolution of the city council.

G. Building Address Signage

1. This type of signage shall identify individual buildings on a parcel of land.
2. Signage and materials for the building address sign shall match and be incorporated into the architecture.
3. The dimension of the font signage shall be four inches (4") in height.
4. The font type shall be Helvetica Medium or similar font.
5. Accent lighting shall be concealed beyond the text and/or logo.
6. An address may follow a company name on the automobile direction signage.
7. Address signage shall be approved by City of Reno Fire and Police Departments.

V. LIGHTING

A. Purpose and Intent

The design of lighting along public rights-of-way within BUSINESS PARK at Reno-Stead Airport shall serve as a unifying element in the architectural theme of the community as well as provide safety for site users. The development of a hierarchy in lighting standards as established by the Master Developer will play an important role in defining the character of BUSINESS PARK at Reno-Stead Airport.

All lighting shall be approved by the Architectural Review Alliance prior to its construction or installation in accordance with Section II Submission Requirements and Review Procedures.

B. General Guidelines

1. Where these Guidelines are silent, Lighting shall be provided in accordance with RMC Section 18.12.1301.
2. Throughout the development white lighting is recommended. No bright colored, blinking, flashing lights, or up-lighting will be allowed.
3. On site lighting shall be top-shielded to reduce nighttime glow and side-shielded to reduce spill over into adjacent land uses.
4. All lighting visible from adjacent streets shall be indirect and shall incorporate full cut-off shield fixtures.
5. Service area lighting shall be contained within the service yard boundaries. Shielded light sources shall be required.
6. Lighting fixtures shall be complimentary to building design.
7. All Building and Site Lighting shall conform to the specific requirements of the Federal Aviation Administration.
8. Lighting elements shall accent and highlight the area's architecture, pedestrian areas and hardscape.
9. If painting light fixtures is desired, to accent or carry the architectural theme, one uniform color, as identified by the Master Developer, shall be used throughout the entire BUSINESS PARK at Reno-Stead Airport Project area.
10. Lighting will be designed and installed so as not to cast any glare onto adjacent lots or streets, nor should it decrease the ambience of adjacent areas nor reduce the safety of pedestrian and vehicular movement.
11. If neon lighting is to be used in corporate signage design, it shall be limited to single illumination and/or incorporated in corporate graphics. Flashing neon and regular illuminating lights will not be allowed.
12. Concrete footings are required for light fixtures placed in planting areas and shall be constructed flush with the ground plane. For poles mounted in parking lots, footings/bases shall extend two feet (2') above a paved surface. Electrical utility and service connections shall be located below grade.
13. Light fixtures and standards in or within 100 feet of any single family residential zoning district shall not exceed 20 feet in height. (RMC Section 18.12.304)

14. The lighting design shall provide a horizontal luminance on pavement of a minimum 0.8 foot candles with a maximum uniformity ratio of 6 to 1 for parking and pedestrian areas.
15. To highlight architectural features accent lighting shall be encouraged. Indirect or hidden light sources may be used to wash' walls. Overhead, down and interior lighting, from architectural sources, that spill into outdoor spaces shall be allowed. The accent light source shall be located flush with building architecture, screen above or located below grade.
16. Building entrances shall provide a minimum of 5.0 foot candles.
17. To provide maximum safety for pedestrian and vehicular movement along travel ways, lighting shall meet the requirements of governing codes and standards. A concentration of light sources shall be focused on intersection, crosswalks, pedestrian travel ways and connections.
18. For all pedestrian travel ways the maximum height of light fixtures shall be twenty feet (20') with a minimum clearance of ten feet (10') provided above walkways.

C. Parking Lot Lighting

In many circumstances lighting fixtures, in these parking areas, will be hidden by vegetation. Light fixtures in these areas could employ a less detailed standard.

1. Surface parking lots shall be landscaped and screened in accordance with RMC Section 18.12.1205(e)(2) and FAA requirements.
2. Lighting shall not create greater than 0.50 foot candle of spillover light at a single family zoned residential property line. (RMC Section 18.12.301)
3. Light fixtures and standards in or within 100 feet of any single family residential zoning district shall not exceed 20 feet in height. (RMC Section 18.12.301) Pole height should generally be sized so as not to exceed the height of adjacent buildings or roadways lights.
4. Light sources shall be metal halide, halogen, and fluorescent light sources on-site. "Wall-pack" type fixtures should be limited to service area use.
5. Luminaries used for drive aisles and parking areas shall be pole mounted. Pole heights shall be between 15 and 20 feet in height.
6. All parking area, access drive and internal vehicular circulation area lighting fixtures shall be in accordance with RMC Section 18.12.1301.
7. Lights shall be dark sky certified and fully shielded to direct light down on development rather than on adjacent properties and the night time sky.
8. "Wall-pack" type fixtures shall not be permitted on the street side of buildings. These fixtures, where used, shall be exclusively of the adjustable sharp cut-off type.
9. Pedestrian lighting shall be provided for entry areas, courtyard and other people gathering places. Point-to-point lighting shall be provided for pedestrian walkways.

VI. GENERAL LANDSCAPE AND IRRIGATION DESIGN GUIDELINES

A. Purpose

Developments within BUSINESS PARK at Reno-Stead Airport are allowed a degree of self-expression within the parameters of these guidelines; however, common elements should be highlighted to unify the project. Consistent use of plant materials and hardscape elements will strengthen the sense of community. The need for a coordinated appearance is most critical at public rights-of-way and less critical internal to a project.

B. General Requirements

1. Where these Guidelines are silent, RMC Section 18.12.1205 shall apply unless otherwise expressly allowed below.
2. All new or renovated facilities must be designed to minimize the impact of storm water discharges on the environment and assure that the facility can be operated in compliance with environmental laws and regulations. Facilities may be subject to Spill Prevention Control and Countermeasures Plan (SPCC) regulations of 40 CFR112.
3. New buildings shall provide 5% minimum landscape area (% of gross acreage of project site) if Floor Area Ratio (FAR) is over 1.5. If FAR is below 1.5, project shall provide a minimum of 20% landscape area. (RMC Section 18.12)
4. One tree and six shrubs shall be provided for every 300 square feet of required landscaped area, plus one tree for every ten off-street parking space.
5. Landscaping will avoid use of any plants that attract birds and wildlife (e.g. provides food or shelter) in accordance with FAA Advisory Circular 150/5200-33B, titled *Hazardous Wildlife Attractants on or near Airports*. Developers are responsible for verifying that 33b is the most current Advisory Circular related to this matter.
6. A root barrier shall be provided where trees are located five feet (5') from adjacent walls or paving.
7. Tree plantings shall not interfere with aircraft operations, night illumination, site line visibility at driveways or intersections or be located within minimum clearance zones of service utilities. Trees, which have been determined to interfere with aircraft operations, will be topped and/or removed by the tenant at the request of the Stead Airport Manager.
8. Groundcover and shrubs planted adjacent to public right-of-ways and landscape easements shall blend with existing plantings and shall be used to screen parking courts, utility services, loading and unloading areas.
9. One gallon container or equal shall be the minimum shrub size allowed.
10. Landscape plans shall be submitted and prepared separately for private developments and those areas in the maintenance district.

C. Water Conservation

The BUSINESS PARK at Reno-Stead Airport is committed to providing landscape design that exceeds ordinary standards and basic vegetation pallets. Construction and improvements that occur within the development shall implement water-conserving planting designs and shall be consistent with RMC Section 18.12.1210.

D. Irrigation Design

Irrigation techniques that encourage water conservation are strongly encouraged and shall be consistent with RMC Section 12.12.1211.

1. A Nevada Registered Landscape Architect and/or Certified Irrigation Designer shall design all irrigation systems within the development.
2. An automatically controlled underground irrigation system shall be used to irrigate all landscape areas.
3. The use of reclaimed water is strongly encouraged to irrigate landscape areas throughout the site if it is available. Materials used in a non-potable irrigation system must be appropriately labeled and color identified per local codes and requirements.
4. All above ground equipment shall be winterized, to prevent freezing, with insulation and/or enclosures. Anti-siphon drain valves shall be provided at the lowest elevation in the irrigation system.
5. Landscape areas shall be individually valved in relation to each respective hydrozone. Hydrozones shall consider solar orientation exposure, slope and soil conditions and other constraints.
6. The installation of all backflow preventers shall meet all local applicable codes and standards. All back flow preventers shall be located in shrub areas and screened from public view.
7. All turf areas must be irrigated with pop- up spray or rotary impact heads. A minimum riser of six inches (6") shall be used for all spray and rotor heads. Sprinkler spacing shall insure head to head coverage.
8. Low precipitation spray heads and rotors are encouraged. Micro-irrigation equipment, moisture sensing devices and/or pressure regulating bubblers is recommended.
9. Irrigation shall be designed to prevent overspray onto adjacent walks, walls, pavement streets and other non-vegetated areas.
10. Pop-up spray heads and rotors shall be used. No fixed risers shall be installed adjacent to rights-of-ways.
11. Automatic controllers shall be capable of manual shut-off and include, at a minimum, a fourteen (14) day calendar and two independent programs.
12. Irrigation systems within public right of ways shall operate independently from private projects.

E. Open Space Requirements

An open space corridor has been designated within the BUSINESS PARK at Reno-Stead Airport to create a multi-use corridor that allows for a

General Landscape and Irrigation Design Guidelines

system of interconnecting buffers and green areas. Off-street pedestrian routes will provide connections between uses.

Landscaping along the open space corridors will be designed and installed to create a cohesive and uniform background for key architectural elements.

Projects adjacent to open space shall create a transition that allows the open space corridor to visually extend from the open space into privately developed areas.

Utilizing the same or similar plant materials will blur the distinction between the corridor and private parcels. The office component of industrial buildings, key entries or pedestrian areas such as lunch rooms or plazas shall be designed to connect with the open space corridor and provide trail linkages. The open space corridor will provide a system of recreational trails that aid in pedestrian circulation and lessen the reliance of the automobile within the BUSINESS PARK at Reno-Stead Airport site.

These corridor extensions will meander to and through adjacent entrances and use zones, creating a "campus-like" setting. Such corridors are to be located within the developable parcels in an effort to avoid incompatible situations which may arise between pedestrians and aircraft.

VII. LANDSCAPE MAINTENANCE

A. Summary

The Master Developer may create a Landscape and Lighting Assessment District or some other mechanism to provide for the long-term maintenance of all landscape areas along public right-of-ways and open space corridors shall be formed prior to the issuance of the first building permit. To ensure long-term success and overall attractive appearance of landscapes on private developments, businesses are required to perform regular maintenance in conformance with these standards. Proper horticultural and irrigation practices should be used with care and regularity. All maintenance shall be performed by experienced landscape maintenance professionals who are familiar with the specific requirements and growth habitats of plant materials in the area.

B. General Guidelines

1. In cases where required landscaping would interfere with safe airport operations, landscaping features that will not interfere with safe airport operations shall be substituted.
2. Plant materials shall be maintained in a healthy growth condition and kept in a neat, attractive appearance through the year.
3. Irrigation systems, monumentation and hardscape elements shall maintain the original integrity of the design and installation.
4. Plant establishment periods, under the installation contract and in project specifications, are required for all landscape installations to be a minimum of ninety (90) days.

C. Regularly Performed Maintenance

1. **Turf Requirements:**
 - a. Mowing and edging of all turf areas should be accomplished every seven (7) days during the growing season and on an as needed basis during the cooler part of the year. All clippings shall be disposed of in a legal manner.
 - b. Edging should be accomplished by mechanical means only.
 - c. Lawn areas should be irrigated according to water schedules developed by a Nevada Registered Landscape Architect and/or Certified Irrigation Designer.
 - d. Lawn areas should be fertilized regularly according to recommendations from the soil analysis turf need requirements.
 - e. To improve the absorption of water and fertilization, lawn areas shall be aerated on a semiannual basis.
2. **Annual Bed Maintenance:**
 - a. Annual color beds shall be replanted a minimum of four times per year with seasonally available varieties.

- b. Soil in annual bed planting areas shall be thoroughly prepared prior to each planting, including the addition of fertilizers. Shredded bark mulch or similar amendments shall be incorporated to improve soil conditions on a regular basis.

3. ***Groundcover Maintenance:***

- a. Groundcovers shall be maintained to create an attractive, uniform ground plane.
- b. Weeds shall be controlled by means of pre-emergent herbicides as well as experienced hand labor. Weeds shall be removed on an as needed basis from groundcover areas.

4. ***Tree Maintenance***

- a. Lower branches shall be tipped or pinched to retain as much foliage as possible and to promote strong trunk growth. Lower branches shall be removed only if they possess a danger to public safety. The branches are to be cut flush with the trunk, only when the tree is able to stand without the aid of stakes or guys and as previously described.
- b. Evergreen trees shall be thinned and shaped as necessary to prevent hazardous situations. Primary pruning shall be accomplished during the tree's dormant season or when a significant fire hazard arises.
- c. Tree staking ties shall be inspected and adjusted annually for ringing, strangulation or excess rubbing of the tree.
- d. Tree stakes shall be removed when the tree has the ability to stand upright on its own.
- e. All trees in turf areas shall have a thirty- six inch (36") circle of unplanted, mulched soil maintained at their bases at all times to encourage tree vigor and to minimize damage by trimmers, mowers and other equipment.
- f. Trees, which have been determined to interfere with aircraft operations, will be topped and/or removed by the tenant at the request of the Stead Airport Manager.

5. ***Pruning***

- a. Trees and shrubs shall be pruned to maintain a natural appearance by selecting permanent scaffold branches or by following the designer's intent.
- b. The pruning of trees and shrubs shall be performed to meet the following goals:
 - Maintaining the natural form and habitat of each particular plant. Do not pollard, topiary or hedge into abstract configurations.
 - Remove diseased or unsound branching structures on all trees at the time found or reported to landscape maintenance.
 - At a minimum, provide 8'-0" clearance above all sidewalks. Provide a 10'-0" clearance above parking lot areas, loading and unloading areas at building entrances interior access drives. Provide a 16'-0" clearance above all primary vehicular travelways, delivery/pick-up areas. Postpone pruning in this manner until the size and the structure of the tree warrant it.
 - All pruning shall be performed using the "International Society of Agriculture (ISA) Pruning Standards".

6. Diseases, Pests and Weeds

- a. Diseases, pests and weeds should be controlled by regular inspection.
- b. All tree basins, planting areas, turf areas, sidewalks, curbing and paving should be kept free of weeds. Avoid frequent cultivation which may harm shallow roots and break the seal of pre-emergent herbicides. Mulch can be added to planters as a method to help control weeds.
- c. Pests and diseases should be eradicated or eliminated only by the use of approved lawful methods. These shall be defined as those methods, approved by the federal government's Environmental Protection Agency, the State of Nevada, and the City of Reno.
- d. All chemical controls should be applied by a licensed pest control applicator.

7. Trash and Debris Removal:

- e. Trash should be removed from all landscape areas on an as needed basis, and when other regular maintenance is performed. Debris shall be disposed of in a lawful manner.

EXHIBIT E
Form of Land Development Tenant Improvement Permit



LAND DEVELOPMENT PROCESS OVERVIEW

Approximate Timeline	Task Description
30-60 days	Approval of lease terms by RTAA Board of Trustees
90 days	Tenant completes Due Diligence (Right of Entry and Hold Harmless agreement)
30-90 days	Tenant and RTAA finalize and execute lease
60-90 days 60-90 days	Project planning meeting with RTAA Planning, Environmental, and Engineering: <ul style="list-style-type: none"> • Modification to Airport Layout Plan (ALP) • FAA obstruction evaluation • Environmental Categorical Exemption (CATEX) or Documented CATEX
14-21 days	RTAA completes preliminary project review: <ul style="list-style-type: none"> • 30% schematic design • Tenant's project schedule including demo/construction timeline <p>If RTAA requires a 60% project review, it will be communicated to Tenant.</p>
	Tenant completes utility coordination and executes utility service agreements. Tenant secures required permits including: <ol style="list-style-type: none"> 1. Air quality and dust control permits - Washoe County Health District, Air Quality Management Division https://www.washoecounty.us/health/forms-applications.php 2. Construction storm water (SWPPP) and temporary construction discharge permits - Nevada Division of Environmental Protection http://ndep.nv.gov/bwpc/storm_cont03.htm http://ndep.nv.gov/bwpc/temporary_permits.htm 3. Form 7460 Notice of Construction - Federal Aviation Administration (FAA) https://www.faa.gov/forms/index.cfm/go/document.information/documentID/186273 and https://ceaaa.faa.gov/ceaaa/external/portal.isp
14-21 days	RTAA completes Project Review <ul style="list-style-type: none"> • 90% construction documents • RTAA issues Project Authorization Letter for inclusion with City of Reno building permit/plan review application
	Tenant completes City of Reno building permit/plan review process



LAND DEVELOPMENT PROCESS OVERVIEW (continued)

Approximate Timeline	Task Description
14-21 days	<p>RTAA completes Final Project Review</p> <ul style="list-style-type: none">• 100% plans issued for construction• Tenant must include renderings, layouts, plans, specifications, required permits, <u>city comments and conditions of approval</u>, etc. along with contractor(s) information and insurance certificate(s) providing required coverage for the project as well as any construction bonds, if required. Any changes required during the external review process (City of Reno, Washoe County, State of Nevada, etc.) shall be reviewed by RTAA• RTAA issues a Notice of Nonresponsibility• RTAA pre-construction meeting is scheduled• FAA issues a Notice of Construction• RTAA issues a Notice to Proceed
	Construction phase
	RTAA may require a Joint Acceptance Inspection
	Tenant is required to submit Record Drawings to RTAA



LAND DEVELOPMENT TENANT IMPROVEMENT PERMIT Preliminary Project Review (30% Schematic Design)

<i>This portion MUST be completed by Tenant</i>	
Date:	
Tenant:	Project Location:
Tenant Contact Name and Address:	Phone:
	E-mail:
Architect/Designer:	Architect/Designer's Address:
Anticipated Start Date:	Anticipated Completion Date:
Please attach the following Preliminary Documents: <ol style="list-style-type: none"> 1. Project description 2. Estimated phasing plan (if applicable) 3. Initial project schedule 4. Plans (30% schematic design) including maximum building heights 5. Any transmitting devices or reflective materials associated with the project? <input type="checkbox"/> YES <input type="checkbox"/> NO 	
<i>This portion to be completed by RTAA Project Sponsor (AED)</i>	
Executed Lease Date (Term):	Attach: <input type="checkbox"/> Board Memo Packet
AED Project Sponsor:	Phone:
	Email:
AED Project Comments:	
<i>This portion to be completed by Facilities</i>	
RTAA Permit No:	Date:



LAND DEVELOPMENT TENANT IMPROVEMENT PERMIT

Project Review _____%

<i>This portion MUST be completed by Tenant</i>	
Date:	RTAA Permit No.:
Tenant:	Project Location:
Tenant Contact Name and Address:	Phone:
	E-mail:
Please describe the focus of the requested review:	
List of plans/specifications/permits attached for review:	
<i>This portion to be completed by RTAA Project Sponsor (AED)</i>	
Received By:	Date:
AED Project Sponsor Comments:	



Project Review 90%

Page 3



LAND DEVELOPMENT TENANT IMPROVEMENT PERMIT

Final Project Review - 100% Construction Documents

<i>This portion MUST be completed by Tenant</i>	
Date:	RTAA Permit No.:
Tenant:	Project Location:
Tenant Contact Name and Address:	Phone:
	E-mail:
Please describe the focus of the requested review:	
List of plans/specifications/permits attached for review:	
<input type="checkbox"/> Attach a copy of City of Reno plan review comments and conditions of approval	
Contractor's Insurance Requirements	
Non-Airfield Projects	<u>Commercial General Liability</u> \$1 million minimum coverage with limits not less than \$2 million General Aggregate \$2 million Products/Completed Operations, \$1 million Each Occurrence <u>Automobile General Liability</u> \$1 Million minimum coverage for all owned, non-owned and hired vehicles. <u>Workers Compensation</u> - Nevada statutory requirement applicable to all employees. If no employees, provide a copy of Exemption Letter from the Nevada Contractor's State License Board. <u>Employer's Liability</u> - with per occurrence limits of \$1 million per accident, \$1 million per disease per employee, and \$1 million disease policy limit, covering employees and volunteers assigned to operations at the Airport
Notes	<ul style="list-style-type: none"> Modified Occurrence or Claims Made coverage is <u>not</u> acceptable. Insurance Carrier must have a rating of AM Best of A V or higher. Additional Insured Requirement: Reno-Tahoe Airport Authority, its Trustees, Officers, Agents and Employees are to be listed as Additional Insureds for the project, with a separate Additional Insured Endorsement. <u>Certificate Holder/Additional Insured Address:</u> Reno-Tahoe Airport Authority, 2001 E. Plumb Lane, Reno, NV 89502

continued



LAND DEVELOPMENT TENANT IMPROVEMENT PERMIT
Final Project Review - 100% Construction Documents

<i>Contractor Information</i>	
General:	Nevada Contractor's License #:
Address:	Phone:
	E-mail:
Subcontractor:	Nevada Contractor's License #:
Address:	Phone:
	E-mail:
Subcontractor:	Nevada Contractor's License #:
Address:	Phone:
	E-mail:
Contractor's Signature:	Date:
Tenant's Signature:	Date:
Plans and Specifications on file in Engineering: <input type="checkbox"/> Yes <input type="checkbox"/> No	Date:

EXHIBIT F

Code of Federal Regulations Title 14 Part 77 Surfaces

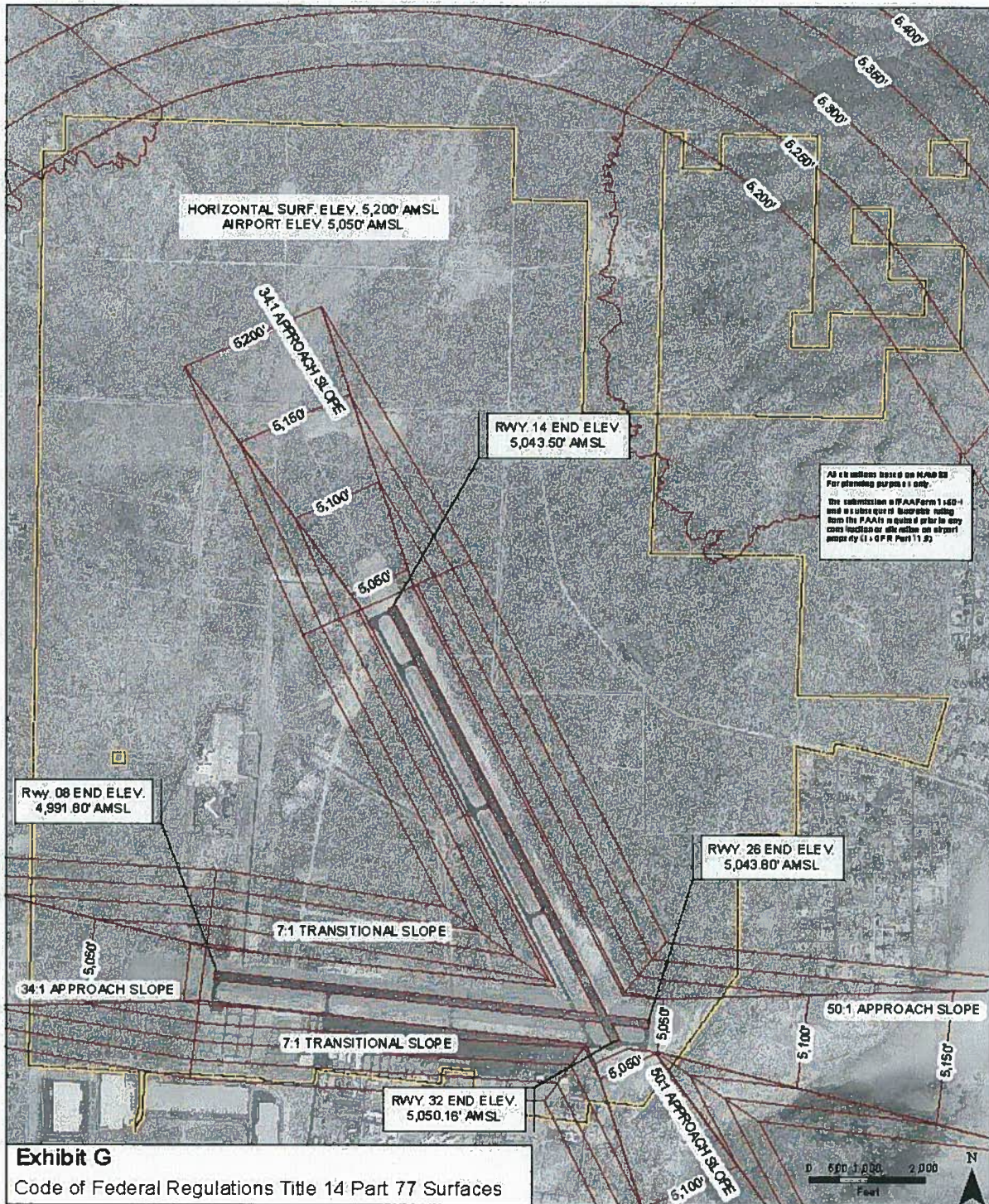


EXHIBIT G

Form of Memorandum of Lease

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of _____, 20__ by and between Reno-Tahoe Airport Authority, a quasi-municipal corporation organized under Chapter 474, Statutes of Nevada 1977, as amended ("Landlord"), and DP RTA STEAD PH 1, LLC, a Delaware limited liability company ("Tenant").

Landlord and Tenant have entered into that certain Ground Lease dated as of _____ ("Lease"), pursuant to which Landlord has ground leased to Tenant, and Tenant has ground leased from Landlord, that certain real property more particularly described on Exhibit "A" attached hereto (the "Premises"), all subject to the terms and covenants set forth in the Lease. The purpose of this Memorandum is to give notice of the existence of the Lease and the provisions thereof, including without limitation provisions providing for the entry into a new ground lease following a foreclosure upon the circumstances described therein. To the extent that any provision of this Memorandum conflicts with any provision of the Lease, the Lease shall control.

This Memorandum may be executed in counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first written above.

"Landlord"

RENO-TAHOE AIRPORT AUTHORITY, a quasi-municipal corporation organized under Chapter 474, Statutes of Nevada 1977, as amended

By: _____

Name: _____

Title: _____

"Tenant"

DP RTA STEAD PH 1, LLC, a Delaware limited liability company

By: _____

Name: Douglas A. Kiersey, Jr.

Title: President

By: _____

Name: Michael C. Dermody

Title: Chairman & CEO

ACKNOWLEDGMENT

State of Nevada _____)
County of _____)

On _____, before me,
_____,
(insert name of notary)

Notary _____ Public, _____ personally appeared
_____, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT

State of Nevada _____)

County of _____)

On _____, before me,
_____,

(insert name of notary)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT H **PARTICIPATION RIGHTS** **CALCULATION EXAMPLE**

Total Building Investment

Construction (Hard Costs)	\$ 17,221,308
Soft Costs -20%	4,305,377
	<u>\$ 21,526,685</u>

Less: Leasehold Mortgage	\$ (12,692,313)
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Permanent Financing - 65%-20 Years - 3.75%

Net Developer Investment	<u>7,834,372</u>
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Year	NET RENTAL INCOME	DEBT SERVICE	NET CASH-FLOW
2018 0	\$ -	\$ -	\$ (7,834,372)
2019 1	1,749,314	(1,006,916)	742,398
2020 2	1,891,793	(1,006,916)	794,877
2021 3	1,856,847	(1,006,916)	849,931
2022 4	1,911,522	(1,006,916)	904,606
2023 5	1,968,868	(1,006,916)	961,952
2024 6	25,000,000	(10,212,002)	15,787,998
	<u>\$ 88,287,345</u>	<u>\$ (15,247,003)</u>	<u>\$ 12,505,949</u>

Internal Rate of Return 20.75%

Exhibit H

RTAA 1-14-18_RTAA Modifications_Building Sale v4.xlsx
Building One

Building One	1	2	3	4	5	6
Tenant Rent	\$ 1,822,202	\$ 1,870,808	\$ 1,933,174	\$ 1,991,169	\$ 2,050,804	\$ 25,000,000
General Vacancy	\$ (72,888)	\$ (78,076)	\$ (77,327)	\$ (78,847)	\$ (82,039)	\$ -
CAM Reimbursement	\$ 148,528	\$ 151,408	\$ 154,528	\$ 157,616	\$ 160,788	\$ -
Insurance Reimbursement	\$ 23,709	\$ 25,259	\$ 26,809	\$ 28,360	\$ 29,911	\$ -
Property Tax Reimbursement	\$ 158,033	\$ 221,094	\$ 206,034	\$ 210,154	\$ 214,277	\$ -
Ground Rent Reimbursement	\$ 193,670	\$ 187,630	\$ 201,501	\$ 205,631	\$ 209,542	\$ -
Subtotal Revenue From Tenant	\$ 2,310,253	\$ 2,389,191	\$ 2,448,812	\$ 2,519,547	\$ 2,588,780	\$ 25,000,000
CAM Cost	\$ (148,528)	\$ (151,408)	\$ (154,528)	\$ (157,616)	\$ (160,788)	\$ -
Insurance Cost	\$ (23,709)	\$ (25,259)	\$ (26,809)	\$ (28,360)	\$ (29,911)	\$ -
Property Tax Cost	\$ (158,033)	\$ (221,094)	\$ (206,034)	\$ (210,154)	\$ (214,277)	\$ -
Ground Rent	\$ (193,670)	\$ (187,630)	\$ (201,501)	\$ (205,631)	\$ (209,542)	\$ -
Leasehold Mortgage Debt Service	\$ (1,006,916)	\$ (1,006,916)	\$ (1,006,916)	\$ (1,006,916)	\$ (1,006,916)	\$ (10,212,502)
Subtotal - Building Operating Costs	\$ (1,478,956)	\$ (1,588,254)	\$ (1,598,868)	\$ (1,611,740)	\$ (1,628,637)	\$ (10,212,502)
Building T NOI	\$ 742,298	\$ 794,877	\$ 849,931	\$ 904,606	\$ 961,952	\$ 15,787,498

Total Building Investment

Construction (Hard Costs)	\$ 18,800,000
Soft Costs -20%	4,200,000
	<u>\$ 23,000,000</u>

Less: Leasehold Mortgage	\$ (14,000,000)
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Permanent Financing - 20 Years

Net Developer Investment	<u>7,000,000</u>
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INTEREST RATE

<u>3.75%</u>

Year	NET RENTAL INCOME	DEBT SERVICE	NET CASH-FLOW
2018 0	\$ -	\$ -	\$ (7,000,000)
2019 1	1,757,469	(1,007,409)	750,060
2020 2	1,757,469	(1,007,409)	750,060
2021 3	1,757,469	(1,007,409)	750,060
2022 4	1,757,469	(1,007,409)	750,060
2023 5	1,757,469	(1,007,409)	750,060
2024 6	25,000,000	(11,408,000)	14,000,000
	<u>\$ 34,787,347</u>	<u>\$ (11,437,347)</u>	<u>\$ 11,333,000</u>

Internal Rate of Return 28.00%

PRINCIPAL PAYMENT

\$ 482,469
\$ 508,582
\$ 518,333
\$ 538,808
\$ 559,013

<u>\$ 2,609,185</u>
