



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 7 Ordinance/Resolution# 16-233

For Meeting of _____
(Ordinance First Reading Date)

For Meeting of June 6, 2016
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION AUTHORIZING AN ASSIGNMENT OF LAND LEASE FOR PARCEL 34 AT THE LAS CRUCES INTERNATIONAL AIRPORT FROM GAIL J. MATHEWS, AKA JACKSON, FIELDS & MATHEWS, LLC TO LYNCO FLIGHT SERVICES, LLC.

PURPOSE(S) OF ACTION:

To authorize an assignment of land lease.

COUNCIL DISTRICT: 4		
<u>Drafter/Staff Contact:</u> Lisa Murphy	<u>Department/Section:</u> Transportation/Airport	<u>Phone:</u> 541-2471
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

Gail J. Mathews, aka Jackson, Fields & Mathews, LLC currently holds a land lease with the City of Las Cruces (City) for a 15,000-square foot parcel known as Parcel 34 at the Las Cruces International Airport. The lease was originally approved on March 15, 2004 pursuant to Resolution No. 04-294 for a term of 20 years and was increased to a term of 30 years pursuant to Resolution No. 10-174 on January 4, 2010. There is a hangar on the leased property which Ms. Mathews owns.

Ms. Mathews wishes to sell the hangar and thus has requested that the Parcel 34 land lease be assigned to the buyer, Lynco Flight Services, LLC. The lease terms allow assignment with the approval of City Council and also state that the owner of the improvements on the parcel must also hold the land lease. Section 7.5-3 of the Las Cruces Municipal Code requires City Council approval of all airport land leases.

The Airport Advisory Board (AAB) unanimously recommended approval of the assignment of lease request at their May 19, 2016 meeting.

(Continue on additional sheets as required)

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Assignment of Lease, Plat of Survey and Parcel Location Map.
3. Attachment "A", Parcel 34 Land Lease.
4. Attachment "B", Letter from Gail J. Mathews, aka Jackson, Fields & Mathews, LLC requesting the assignment of lease.

SOURCE OF FUNDING:

Is this action already budgeted? N/A	Yes	<input type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of _____ for FY _____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will authorize Gail J. Mathews, aka Jackson, Fields, & Mathews, LLC to assign the land lease for Parcel 34 to Lynco Flight Services, LLC.
2. Vote "No"; this will not authorize Gail J. Mathews, aka Jackson, Fields & Mathews, LLC to assign the land lease for Parcel 34 to Lynco Flight Services, LLC. They would have to enter into a new lease for the parcel.

(Continue on additional sheets as required)

3. Vote to "Amend"; as deemed appropriate. This will not authorize Gail J. Mathews, aka Jackson, Fields & Mathews, LLC to assign the land lease for Parcel 34 to Lynco Flight Services, LLC.
4. Vote to "Table"; and direct staff accordingly. This will not authorize Gail J. Mathews, aka Jackson, Fields & Mathews, LLC to assign the land lease for Parcel 34 to Lynco Flight Services, LLC.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Resolution No. 04-294.
2. Resolution No. 10-174.



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of June 6, 2016
 (Adoption Date)

TITLE: A RESOLUTION AUTHORIZING AN ASSIGNMENT OF LAND LEASE FOR PARCEL 34 AT THE LAS CRUCES INTERNATIONAL AIRPORT FROM GAIL J. MATHEWS, AKA JACKSON, FIELDS & MATHEWS, LLC TO LYNCO FLIGHT SERVICES, LLC.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes No

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact	<i>Lisa Murphy</i>	541-2471	5-20-16
Department Director	<i>David Matos</i>	541-2048	5-20-16 2016
Management & Budget Manager	<i>[Signature]</i>	541-2107	5-20-2016 <i>J</i>
Assistant City Manager /CAO	<i>Daniel Deller</i>	541-2100	5-23-2016
Assistant City Manager/COO	<i>Daniel Ole</i>	541-2271	5-24-16
City Attorney	<i>[Signature]</i>	541-2128	24 May 2016
City Clerk	<i>[Signature]</i>	541-2115	5-24-16

RESOLUTION NO. 16-233

A RESOLUTION AUTHORIZING AN ASSIGNMENT OF LAND LEASE FOR PARCEL 34 AT THE LAS CRUCES INTERNATIONAL AIRPORT FROM GAIL J. MATHEWS, AKA JACKSON, FIELDS & MATHEWS, LLC TO LYNCO FLIGHT SERVICES, LLC.

The City Council is informed that:

WHEREAS, Gail J. Mathews, aka Jackson, Fields & Mathews, LLC executed a land lease agreement with the City of Las Cruces (City) for Parcel 34 at the Las Cruces International Airport on March 15, 2004, pursuant to Resolution No. 04-294; and

WHEREAS, Section 9 (a) of the lease provides that the Lessee may request an assignment of lease; and

WHEREAS, Gail J. Mathews, aka Jackson, Fields & Mathews, LLC wishes to sell the aircraft hangar currently on the parcel and has asked that the City approve assignment of the lease to Lynco Flight Services, LLC; and

WHEREAS, the owner of the hangar must also hold the land lease.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the Mayor is hereby authorized to sign the assignment of lease currently held by Gail J. Mathews, aka Jackson, Fields & Mathews, LLC to Lynco Flight Services, LLC, attached hereto as Exhibit "A" and made a part of this Resolution.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 20____.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney

VOTE:

Mayor Miyagishima:	_____
Councillor Gandara	_____
Councillor Smith:	_____
Councillor Pedroza:	_____
Councillor Eakman:	_____
Councillor Sorg:	_____
Councillor Levatino:	_____

ASSIGNMENT OF LEASE

Gail J. Mathews, aka Jackson, Fields & Mathews LLC, assignor herein and lessee of premises described as follows:

A portion of the lease, that portion being all of Parcel 34 as shown on the attached map marked Exhibit "A" and made a part hereof,

which was leased to Gail Mathews, aka Jackson, Fields & Mathews, LLC by the Las Cruces City Council Resolution No. 04-294 on March 15, 2004. Lynco Flight Services, LLC, assignee of the lease hereby accepts the assignment as evidenced by its signature hereto, and shall perform all the terms and conditions thereof, including payment of all rent applying to Parcel 34 required by the provisions of the Lease. Assignee shall enjoy the same right and power to assign the lease as assignor enjoyed under the lease.

The CITY OF LAS CRUCES, NEW MEXICO, a municipal corporation, lessor under the lease, consents to the assignment of the lease to assignee, but does not waive any rights against assignor that lessor has under the lease.

In witness whereof, the parties have executed this assignment at Las Cruces, New Mexico the _____ day of _____, 2016.

Gail J. Mathews, aka JACKSON, FIELDS & MATHEWS, LLC
Assignor

ATTEST:

(Seal)

STATE OF NEW MEXICO)
) ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Gail J. Mathews, aka Jackson, Fields & Mathews, LLC.

Notary Public

My Commission Expires:

LYNCO FLIGHT SERVICES, LLC, by Nathan Wilcox,
Managing Partner
Assignee

ATTEST:

(Seal)

STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by
Lynco Flight Services, LLC, by Nathan Wilcox, Managing Partner.

Notary Public

My Commission Expires:

CITY OF LAS CRUCES, NEW MEXICO
A municipal corporation

By: _____
Ken Miyagishima, Mayor

Approved as to form:



City Attorney

ATTEST:

(Seal)

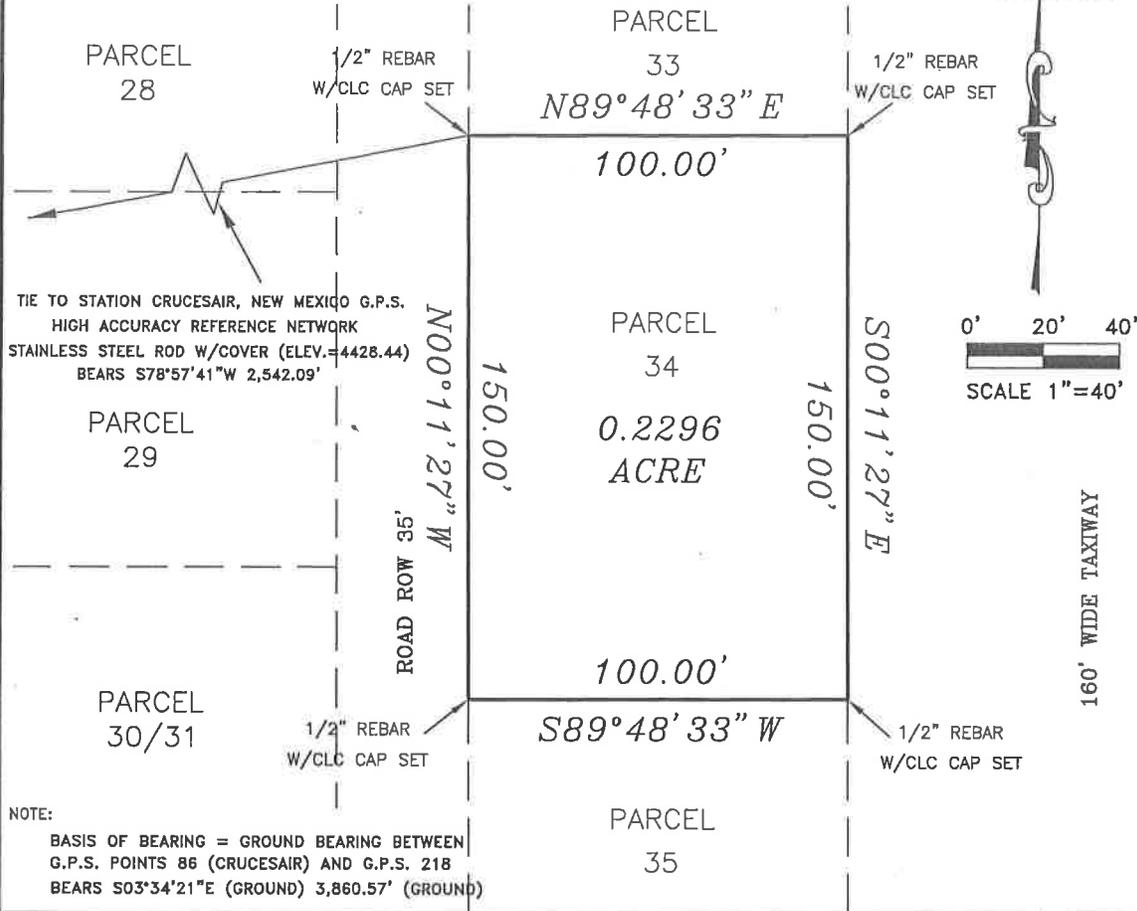
STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Ken Miyagishima, Mayor of the City of Las Cruces, New Mexico, a municipal corporation, on behalf of said corporation.

Notary Public

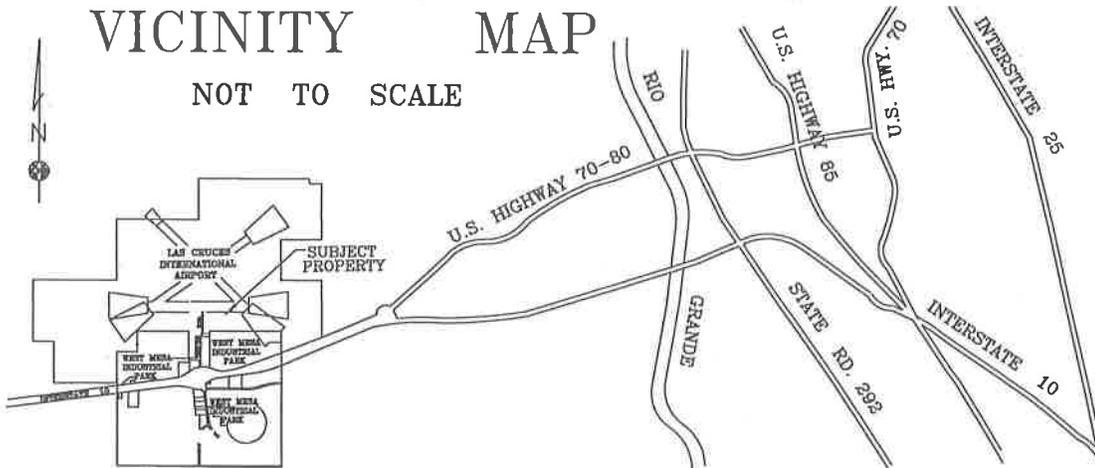
My Commission Expires:

**PLAT SHOWING LEASE PROPERTY
OF A 0.2296 ACRE PARCEL
FOR THE PURPOSE OF LEASING
IN THE NW 1/4 OF SECTION 26, T.23S., R.1W.,
N.M.P.M. OF THE U.S.G.L.O. SURVEYS
LAS CRUCES, DONA ANA COUNTY, NEW MEXICO**



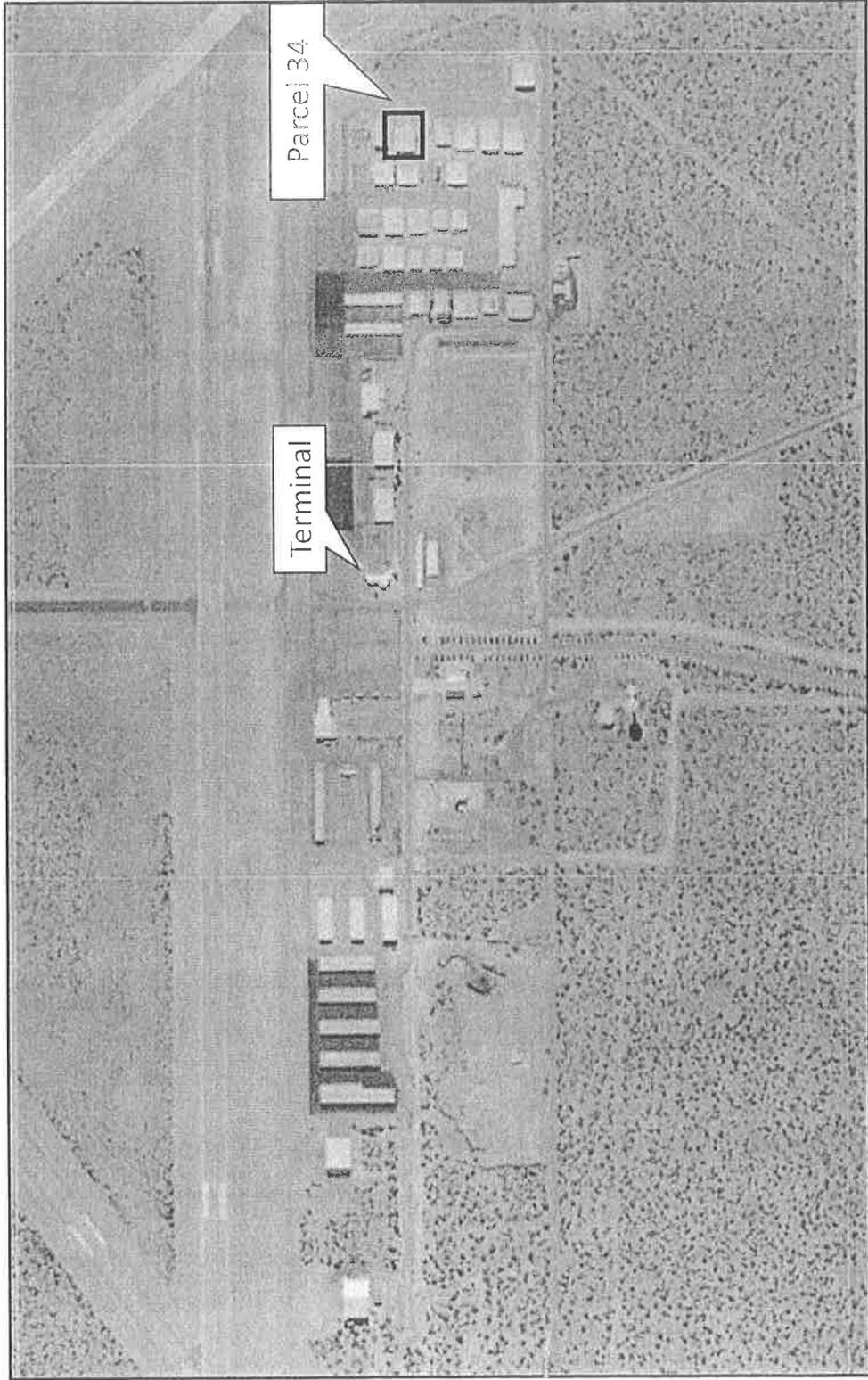
VICINITY MAP

NOT TO SCALE



DEVELOPMENT SERVICES DIVISION CITY OF LAS CRUCES, NEW MEXICO		
PROJECT TITLE: AIRPORT - LEASE PROPERTIES - PARCEL 33		
PROJECT NO. 05S036-B		
SCALE 1"=40'	DATE	REVISIONS
SURVEYOR GILBERT CHAVEZ PS	AUG. 2005	
DRAWN BY JOHN RIVERA	AUG. 2005	

Parcel 34 Location Map



Specialized Aviation Service Operations Lease
 City of Las Cruces, New Mexico, International Airport.
 JACKSON, FIELDS & MATHEWS, LLC, LESSEE

WHEREAS, the City of Las Cruces ("City"), a Municipal Corporation of the State of New Mexico, is the owner of certain real properties known collectively as the Las Cruces International Airport ("Airport") in Dona Ana County, New Mexico; and,

WHEREAS, the City maintains designated areas on the Airport specifically to lease said areas to aviation-related businesses and individuals to develop the Airport, its infrastructure, and aviation business for the benefit of the citizens of the City; and

WHEREAS, Jackson, Fields & Mathews, LLC ("Lessee") desires to lease a particular parcel of that real property on the Airport for the purpose of furthering the Lessee's aviation interests; and

WHEREAS, the City is willing to Lease the Parcel desired to the Lessee, and the parties desire to execute a written Lease containing the terms and conditions of their Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the following is agreed:

1. **The Leased Area Described.** The City hereby Leases to the Lessee, 15,000 square feet (150 square feet by 100 square feet) of real Property located in the NW 1/4 of Section 26, T.#23S., R.1W., N.M.P.M. of the U.S.G.L.O. Surveys, within the City Limits of Las Cruces in the County of Dona Ana, State of New Mexico, described as Parcel 34 on the Plat Showing Lease Properties At The Las Cruces International Airport, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, together with an easement for ingress and egress to the property (hereinafter "Parcel") by the Lessee.

2. **Terms.**

a. **Initial Lease Term.** The term of this Lease shall be twenty (20) years (hereinafter "Lease Term") commencing on the "Commencement Date," as hereinafter defined, and terminating twenty years from the Commencement Date. The Commencement Date shall be the First day of July, 2004 and the termination date shall be the 30th day of June, 2024. Possession of the Parcel by the lessee shall begin on the Commencement Date.

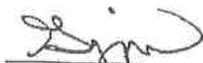
b. **Subsequent Lease.** At the conclusion of the Lease Term, the hangar and any improvements to the property becomes the property of the City, the Lessee shall have the right of first refusal to enter into a lease for the hangar and land at the then current Fair Market Value (FMV) of the property and building.

3. **Fees and Charges.** Lessee shall pay the following fees and charges:

a. **Earnest Money.** Lessee has made an earnest money deposit with the City of Las Cruces in the sum of Two Hundred Fifty Dollars and no cents (\$250.00), which shall be part of the annual rent for the first year of the Lease. However, this fee shall revert to the City should the Lessee fail to execute this Lease within sixty (60) days of its approval by the City Council.

b. **Closing and Processing Fee.** Lessee shall pay a one-time closing and processing fee of Five Hundred Dollars and no cents (\$500.00), which is due with the first annual rent payment on the Commencement Date.

c. **Rent.** Beginning on the Commencement Date, the Lessee shall pay the City a fixed annual rental payment ("Rent"). The amount of the Rent shall be twenty cents (\$0.20) per square foot per year times 15,000 square feet, which equals three thousand dollars and no cents (\$3,000.00) for the Parcel per year for the first five years of the Initial Lease Term. The rent shall be adjusted on the fifth, tenth, and fifteenth anniversary of the Commencement Date based on the increase or decrease in the cumulative Average Annual U.S. Consumer Price Index, or its successor report issued by the Federal Government, over the preceding five (5) calendar years of reporting. The adjusted Rent payment shall be due on the next payment date. Should the lessee remain in possession of the Parcel as a hold-over Lessee, the rent shall be adjusted to the Fair Market Value of the land and building in effect after the initial lease term.


 (Lessee's Initials)

Specialized Aviation Service Operations Lease
 City of Las Cruces, New Mexico; International Airport
 JACKSON, FIELDS & MATHEWS, LLC, LESSEE

4. Payments Due.

a. **Due In Advance.** In addition to those payment dates specified above, all rent payments shall be due and payable in advance, beginning on the Commencement Date and continuing regularly and annually without notice from City thereafter during the Lease Term. However, the City may elect to invoice payment notices.

b. **Due Annually.** The first annual payment shall be due and payable on the Commencement Date. All subsequent payments shall be due on the Commencement Date Anniversary each year thereafter.

c. **Late Fee Due.** On any annual rental payment made 10 days after the payment due date, Lessee shall in addition pay a late charge of ten percent (10%) of the annual rent for each month or part thereof that the payment is late.

5. **No Refunds.** Lessees may relinquish this Lease to the City, however the Lessee shall not be entitled to a refund of any fees of any kind paid.

6. Insurance Requirements.

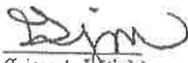
a. **Proof of Insurance Required for Public Liability, Fire, Casualty and Any Other to be Determined by Risk Management.** Lessee shall maintain general public liability, fire, property and casualty insurance insuring against such claims. Such insurance shall name the City as an additional insured. This insurance shall have an aggregate limit in the minimum amount of \$1,000,000, or as required to meet the mandatory requirements of the New Mexico Tort Claims Act or its successors in law, whichever is greater. Lessee shall maintain coverage over the improvements to the Parcel. Such insurance shall be with a company licensed and authorized to do business in the State of New Mexico. The Lessee shall furnish annually to the City on the rent payment due date of this Lease, a certificate or other evidence and proof of maintenance of the above required insurances. Lessee shall provide the City with notice of any change thereof, and furnish to the City evidence of acquirement of a substitute therefore, and payment of the premium thereof. If the Lessee shall fail to maintain such insurance coverage, then the City may obtain same and add the cost of such insurance to the next due Lease payment. If the City does so, it may charge interest thereon at the rate of 15% per annum from the time of payment, which shall be added to the rental becoming due, and shall be collected as an additional charge.

b. **Indemnify the City.** Lessees shall save and hold harmless, indemnify and defend the City of Las Cruces, its elected officials, employees and agents, in their official and individual capacities, of and from any and all liabilities, claims, losses, or damages arising out of, or alleged to arise out of, or indirectly connected with the negligent operations of the Lessee under this Lease, or arising out of the presence at the place of business, or improvements thereto, of any agent, guest, customer, supplier, contractor or subcontractor of Lessee. The amounts of insurance maintained by the Lessee shall not be deemed a limitation on Lessee's agreement to indemnify the City. If the City becomes liable for Lessee's act in an amount in excess of the insurance, Lessee shall indemnify the City for the whole thereof.

7. **Quiet Enjoyment.** The Lessee, upon payment of the required fees and rents, and the faithful performance of such covenants, agreements and conditions required by law, or this agreement, shall and may, peaceably and quietly have, enjoy those portions of the Airport authorized for their use. Such use shall be free from molestation, eviction or disturbance by the City or any person claiming by, through, or under it, subject to the terms and conditions of the law or agreement entered into. Such quiet enjoyment is conditional upon Lessee adhering to the following conditions:

a. **Permitted Uses.** Lessee shall have use of the Parcel only for construction of a hangar of at least 5,400 square feet and the housing, maintaining and related design, manufacture and commercial aviation activity of the White Lightning Experimental Aircraft Kit, Electromotive Aviation Engine Management System, Avionics and Racing Telemetry, in so far as it does not disturb the peaceful enjoyment of other tenants and conforms to airport permitted use under the current or any revised Standards, Regulations, Codes and Policies.

b. **Additional Uses Require Permission.** The Lessee shall not use or permit the use of the Parcel, or improvements thereto, for any purpose or use other than those expressly and specifically authorized by this Lease. Additional uses may be hereafter authorized in writing by the City, but only upon such terms and conditions as may be set out in such authorization.


 (Lessee's Initials)

Specialized Aviation Service Operations Lease
 City of Las Cruces, New Mexico, International Airport
 JACKSON, FIELDS & MATHEWS, LLC, LESSEE

c. **Commercial Use of Parcel and Future Improvements.** Lessee agrees to obtain permission from the City prior to commencing or permitting any commercial use of the Parcel not specifically listed, or additional improvements thereto, in accordance with the current Airport policies, code and/or standards. In the event that this Parcel, or improvements thereto is used for business purposes, the Lessee shall at all times maintain and pay any required permits, licenses, insurances, and taxes as required by law.

d. **Construction and Ownership of Improvements.**

(1) **Title to Improvements.** During the Lease Term, title to all improvements existing or constructed upon the Parcel by Lessee are and shall be vested in Lessee.

(2) **Proposed Improvements.** The Lessee is required to construct improvements on the Parcel in accordance with Exhibit "B", Design Standards for Improvements attached hereto and incorporated herein by this reference. Lessee shall begin such process with no less than submission of a building permit application to the City, not later than six (6) months following the Commencement Date of this Lease, that date being January 1, 2004.

(3) **City Codes Apply.** Lessee must meet City standards as specified in the Las Cruces Municipal Code for all design, planning, and construction activities, including development or extension of infrastructure. In addition, Lessee shall pave all access from the Parcel, or improvements thereto, to taxiways and roads, and such construction shall match the existing grade.

(4) **Septic Systems.** Lessee shall be allowed to use and maintain an easement on common City Property adjacent to the building to construct an individual on-site septic system, if necessary and as required to meet New Mexico Environment Department Regulations. The location and dimensions of this easement and constructed improvement shall be shown on the site plan submittal. In the event that the City provides a waste water disposal service to the Airport at such time in the future, Lessee shall be required to cease use of the individual on-site septic system and hook up to the City waste water system for sewage disposal, in accordance with the Las Cruces Municipal Code.

(5) **Time Restrictions.** Construction of a minimum 5400 square foot Hangar in accordance with Exhibit "B", Design Standards for Improvements must be completed on or before the second anniversary date of the Commencement Date of the Lease, that date being July 1, 2006.

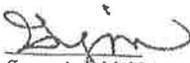
(6) **Additional Improvements Constructed During the Initial Lease Term or Extended Term.** Lessee may construct additional improvements or modifications at a later date, adhering to the requirements of those codes and regulations then in effect on the Airport. However, initial construction of a 5400 square foot hangar must be completed within eighteen (18) months of approval by the City.

e. **Condition, Maintenance and Repairs of Leasehold and Improvements Thereto.**

(1) **Lessee Shall Maintain.** Lessee shall maintain, at its own expense, the Parcel and any improvements, fixtures or equipment on the Parcel in a safe, sanitary, orderly, and sightly manner, in accordance with all applicable codes and regulations. Lessee shall also maintain the cleanliness of all paved area on the Parcel, and shall be responsible for mowing all grass, watering lawns, controlling weeds, and maintaining shrubs and trees on the Parcel.

(2) **Erosion Control.** Where the slope, terrain, or soil disturbance is such that active soil or wind erosion may be present, Lessee must carry out erosion control practices to mitigate the erosion. These practices include, but are not limited to drainage facilities constructed and maintained by Lessee, landscaping, and/or seeding and maintaining of vegetation.

(3) **Repair of Damage.** If the Parcel, or improvements thereto is partially destroyed or damaged by fire or other casualty, then Lessee shall repair and restore the Parcel, or improvements thereto as soon as it is reasonable practicable. Such repair or restoration shall commence not later than six (6) months after such damage, and be completed within six (6) months thereafter. Such restoration shall be to substantially the same condition in which the Parcel or improvements thereto was before such damage. In the event that Lessee has not commenced repairs within six (6) months from the date of said damage and thereafter completed such repairs within six (6) months, this Lease may be


 (Lessee's Initials)

Specialized Aviation Service Operations Lease
 City of Las Cruces, New Mexico, International Airport
 JACKSON, FIELDS & MATHEWS, LLC, LESSEE

immediately terminated by the City. Such termination shall be made effective by serving notice upon the Lessee, and effective on the date of receipt of such notice by the Lessee.

(4) Destruction of the Parcel or Improvements Thereof. In the event the Parcel, or improvements thereto is completely destroyed or so badly damaged that repairs cannot be commenced within six (6) months and completed within six (6) months thereafter, then this Lease may be terminated. Such termination shall be effective as of the date of the occurrence of the damage or destruction, and made effective by either party hereto by serving written notice upon the other.

f. Installation of Utilities. City warrants that all utilities, except for wastewater collection and treatment service, which are necessary for the conduct of Lessee's activities are available at the Airport. However, Lessee shall obtain and install underground at its own expense any necessary electrical, gas, water, sewer and septic tank, and any other utility service, subject to the Development Guidelines, rules and regulations or building codes of the State of New Mexico and the City of Las Cruces.

g. Hazardous Waste. No toxic materials or hazardous waste subject to regulation by the EPA or NM Environment Department shall be stored or disposed of on the Airport without the written permission of the Airport Manager.

h. Environmental Assessment and Remediation. At the expiration or termination of this Lease, the City may require that Lessee furnish to the City an Environmental Assessment Report on the place of business, conducted in accordance with the laws, codes and regulations in effect at that time. The costs of remediation, if any, shall be required by law, shall be the responsibility of the Lessee.

i. Signs. Lessee must obtain City consent to paint or construct any exterior signs; including approval for a City Sign Permit. Lessee further agrees that upon vacating the Facilities, Lessee will restore exterior signs to same condition as received at time of occupancy. The Lessee shall be responsible for all cost and expense of maintaining its signs as permitted hereby. Lessee shall not erect, paint or maintain any temporary signs or advertising displays, such as banners, balloons, flashing sign boards, and/or any similar visual devices whatsoever.

j. City to provide specific infrastructure. The City warrants that it will provide a minimum fifty foot wide taxiway, within 12 months of the lease commencement date.

8. Obtain Permits, Pay Taxes, and Obey Laws.

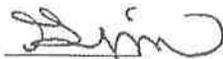
a. Lessee shall pay when due all valid taxes, special assessments, excises, license fees and permit fees of whatever nature applicable to its operation or levied or assessed against the Airport, or improvements thereto. Lessee shall take out and keep current all licenses, permits, and certificates (City, County, State and Federal) required for the conduct of its activities at and upon the Airport, and further agrees not to permit any of said taxes, excise or license fees to knowingly become delinquent.

b. Lessee shall, at its own expense, fully comply with all laws, regulations, rules, ordinances, and requirements of the applicable City, County, State and Federal authorities and agencies which affect this Lease, the land granted by this Lease, any improvements upon the Leasehold, and/or operations thereon. Such compliance shall be with any laws, regulations, rules, ordinances or requirements which have been or may be enacted or promulgated during the effective period of this Lease.

c. Lessee recognizes the authority of the City Council and staff to take those necessary and legal actions required to safeguard any person, aircraft, equipment or property at the Airport. Lessee agrees to abide by any suspension, restriction, or designation of specific procedures applicable to any or all Airport operations whenever such actions are established by such authorities.

9. Assignment and Sublease.

a. City Consent Required. Lessee shall not assign or sublease the rights granted by this Lease, nor the Leased parcel, nor the improvements constructed or occupied in accordance with this Lease, without the prior written consent of


 (Lessee's Initials)

Specialized Aviation Service Operations Lease
 City of Las Cruces, New Mexico, International Airport
 JACKSON, FIELDS & MATHEWS, LLC, LESSEE

the City, which consent shall not be unreasonably withheld. All approved assignments or subleases shall be in accordance with the Minimum Standards For Commercial Airport Aeronautical Activity And Service Providers At The Las Cruces International Airport. The City may condition such consent upon an increase in the Rent, and may require other conditions or covenants before consenting to an assignment or sublease. Such additional rent, conditions or covenants shall be in accord with those terms and conditions for similar agreements in effect at the time of the assignment, sublease, or sale. If the Lease is assigned or subleased, all clauses herein binding the parties hereto are also binding on any and all successors and/or assigns, unless specifically amended by the City as a condition of consent.

b. **Assignment Relieves Lessee.** Upon a valid assignment of this Lease, but not upon a sublease, the Lessee shall be relieved of all obligations and liabilities arising from this Lease effective as of the date of the assignment.

10. **Default and Termination.**

a. **Definition.** If the City determines the Lessee is in violation of any of the terms, conditions or covenants of this Lease, or the Lessee fails to pay, on time, any fees or charges due, the condition shall be considered a default of the Lease.

b. **Written Notice Required.** The City shall provide the Lessee with written notice of any determination of default.

c. **Compliance Time.** The Lessee shall then have ten (10) days to cure or remedy said default or otherwise comply with any demand contained within such written notice which cures or remedies the default.

d. **Failure to Comply.** If the Lessee fails to correct the default as specified by the City's notice within the specified period, or if the Lessee receives a third notice of default within any 18 consecutive month period, the City may, at its option, terminate this Lease immediately, or at any time thereafter. Such termination may be made without further notice or demand. Upon such termination, without further notice or demand, the City may enter upon and into the Leased area, or improvements thereto, or any part thereof, and take absolute possession of the same fully and absolutely, and such re-entry shall not be judged trespass. In addition, the City may also require all associated and permitted operations to cease and be removed from the Airport.

e. **Lease Remains Binding.** All provisions of this Lease remain binding upon the Lessee while the Lessee is in default, and if this Lease is terminated due to default.

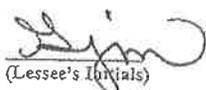
11. **Airport Development.** The City reserves the right to further develop the Airport as it sees fit, without unreasonable interference or hindrance from Lessee.

a. **Eminent Domain Rights.** If the physical development of the Airport requires the relocation, removal or alteration of Lessee's business from the Airport, the City has the right to condemn the business area wholly under the City's eminent domain rights.

b. **Notice of Total Taking.** In the case of a total taking by the City of the areas authorized for use by this Lease, the City will provide a minimum of ninety (90) days notice of such impending action. In the event of such a total taking, Lessee's obligation to pay rent and other charges shall terminate on the date of the taking.

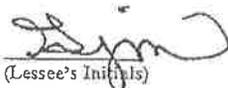
c. **Actions in the Event of Total Taking.** In the case of a total taking, both parties hereto agree that the value of this Lease shall be declared to be zero dollars (\$0.00). The value of the Building will be determined by an independent appraisal at Fair Market Value. The Lessee will have the option of receiving the monetary FMV of the building or having a similar building constructed at another site and entering into a new lease agreement at the then current land lease rate.

12. **Amendment.** This Lease shall not be altered, changed or amended except by instrument in writing executed by the City and Lessee.


 (Lessee's Initials)

Specialized Aviation Service Operations Lease
 City of Las Cruces, New Mexico, International Airport
 JACKSON, FIELDS & MATHEWS, LLC, LESSEE

13. **Severability.** If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.
14. **Right of Aircraft Operations.** The City hereby reserves a right of aircraft ground operations on and above the surface of the Airport, when conducted in accordance with the Federal Aviation Regulations, together with the right to cause such noise, odors and other disturbances as may be inherent in such operation.
15. **Reserved Water, Gas, Oil, and Mineral Rights.** The City reserves, subject to the BLM Patent all water, gas, oil, hydrocarbon and mineral rights in and under the surface of the Airport. However, the City shall not conduct any operations on the surface of the Airport for the exploration, development or recovery of the rights and substances reserved which would unreasonably interfere with the Lessee's use of the Airport.
16. **Easements and Right of Way.**
- a. **Existing Easements.** This Lease is subject to all existing rights-of-way or easements of record and all other Leases granted by the City to other parties at the Airport, and to those retained by the City.
 - b. **City's Right to Use Existing Easements.** The City retains the right to locate utilities as necessary on existing easements on the Airport.
 - c. **Easements to be Accessible.** Lessee shall leave any utility easements upon the Airport open and unobstructed. A perpetual easement and right-of-way for the construction, maintenance, removal and replacement of any and all utility lines, manholes, and related facilities through, over, across and under the Airport is hereby reserved for the benefit of the City.
 - d. **City's Right to Establish Easements.** The City may at any time and from time to time relocate, in whole or in part, any easement serving the Airport, provided that such relocation does not diminish or permanently interrupt the rights or operations of the Lessee nor increase the costs to be incurred by Lessee. The City may temporarily interrupt operations with respect to such Easements during the period of relocation, and the City agrees to restore the Airport to a condition substantially similar to the condition existing prior to any alterations thereto by the City.
 - e. **City's Right to Protect Aerial Approaches.** The City reserves the right to take such action as may be reasonably necessary to establish and protect aerial approaches to the Airport against obstruction, including the right to prevent persons from erecting or permitting to be erected any improvements on the Airport which would constitute a hazard to aircraft.
17. **Right to Perform Own Aircraft Servicing and Maintenance.** It is clearly understood by the Lessee that no rights or privileges have been granted which would prevent any legal person from performing any services that it may choose to perform on its own aircraft at locations reserved for such purposes. All such servicing, maintenance and repair shall be conducted in accordance with Federal Aviation Regulations and applicable law.
18. **Security and Safety.** Lessee will participate in the City's security and safety programs as they relate to the Airport.
19. **Airport Access.** Subject to the rules and regulations established by the City, the Lessee has the right of free access, ingress to and egress from those parts of the Airport authorized for the Lessee's use by this Lease. Such access also applies to the Lessee's employees, agents, patrons and invitees, its suppliers of materials and furnishings of services and its equipment, vehicles, and machinery. The City may, at any time, temporarily or permanently close or consent to the closing of any roadway or other right-of-way for such access, ingress, and any other area at the Airport or in its environs presently or hereafter used as such. In such a case, a means of access, ingress and egress reasonably equivalent to that formerly provided may be substituted and concurrently made available subject to the Airports Security and Operational needs.


 (Lessee's Initials)

<p>Specialized Aviation Service Operations Lease City of Las Cruces, New Mexico, International Airport JACKSON, FIELDS & MATHEWS, LLC, LESSEE</p>
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- 20. **City's Right to Enter.** The City, its officers, agents and representatives, subject to any security regulations imposed by any governmental authority, shall have the right to enter all parts of the premises at all reasonable hours to inspect the premises when reasonably required and as it may deem necessary or desirable.
- 21. **Operational Reports.** Lessee agrees to submit to the City, upon request by the City any report or reports or information regarding Lessee's operations at the Airport. The City agrees to receive from Lessee, upon request by Lessee, any reports the Lessee deems appropriate for the purpose of keeping the City informed of any operational problems and of any suggested improvements at the Airport.
- 22. **Automobiles and Other Vehicles.** The City reserves the exclusive right to control, by security gate, uniform driving regulations, or otherwise, all vehicular ingress and egress to, and operations on, the aircraft operating areas including but not limited to all taxiways, runways and ramp areas on the Airport.
- 23. **Attorney's Fees.** City and Lessee agree that if either is found by a court to have breached this Lease, reasonable attorney's fees and the cost of litigation may be recovered from the defaulting party.
- 24. **Notices.** Whenever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not, when deposited in the United States mail, as Certified Mail, postage prepaid, return receipt requested, and addressed to the parties at their respective addresses, as set forth below:

Airport Manager
City of Las Cruces
P.O. Box 20000
Las Cruces, New Mexico 88004

Jackson, Fields & Mathews, LLC
6505 W. U.S. 40
Greenfield, IN 46140

- 25. **Exhibits.** The following exhibits are attached and made part of this Lease:
 - A. EXHIBIT "A": LEGAL DESCRIPTION OF PARCEL.
 - B. EXHIBIT "B": DESIGN STANDARDS FOR IMPROVEMENTS
 - C. EXHIBIT "C": MINIMUM STANDARDS FOR COMMERCIAL AIRPORT AERONAUTICAL ACTIVITY AND SERVICE PROVIDERS AT THE LAS CRUCES INTERNATIONAL AIRPORT.

IN WITNESS WHEREOF, City and Tenant have executed the Lease to be in effect as of the date first written above.

CITY OF LAS CRUCES, LESSOR

LESSEE

William Mattiace, Mayor

Gail J. Mathews, President

William Mattiace

(Signature) (Date) 3/17/04

Gail J. Mathews

(Signature) (Date) 4/18/04

Shirley Clark

CITY CLERK
(SEAL)

(Lessee's Initials)

ASSIGNMENT OF LAND LEASE PARCEL 34
LAS CRUCES INTERNATIONAL AIRPORT

I, Gail J. Mathews, aka Jackson Fields Mathews LLC do hereby grant and assign the stated lease with amendment to Lynco Flight Services, LLC. I declare that I am the sole person responsible for the land lease being assigned with City consent..


Gail J. Mathews
5/13/2016