

City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 9 Ordinance/Resolution# 10-138 Council District: 4

For Meeting of November 16, 2009
(Adoption Date)

TITLE: A RESOLUTION APPROVING A LAND LEASE OF THE CITY-OWNED PARCELS 43 AND 44 AT THE LAS CRUCES INTERNATIONAL AIRPORT TO MESILLA CAPITAL INVESTMENTS, LLC (DR. RENE DE LA VEGA, MANAGER) FOR A TERM OF THIRTY YEARS AT AN INITIAL RENT OF FOUR THOUSAND DOLLARS (\$4,000) PER YEAR.

PURPOSE(S) OF ACTION: To enter into a 30-year land lease with Mesilla Capital Investments, LLC (MCI, LLC) for Parcels 43 and 44 at the Las Cruces International Airport.

Name of Drafter: Lisa Murphy, Airport Administrator		Department: Facilities/Airport		Phone: 541-2471	
Department	Signature	Phone	Department	Signature	Phone
Facilities		541-2651	Budget		2300
			Assistant City Manager		2271
Legal		2128	City Manager		2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: This Resolution authorizes the City to enter into a lease agreement with MCI, LLC (Dr. Rene De La Vega, Manager), for two 10,000 square foot parcels known as Parcels 43 and 44 at the Las Cruces International Airport. These parcels were formerly leased by Rocket Racing, Inc. The lease will commence on December 1, 2009 and will have a thirty year term with the option for two five-year extensions. The rent will be \$.20 per square foot per year, which equates to \$4,000 per year (\$2,000 per parcel) for the first five years, as per airport lease policy. The Rent shall be adjusted for the cumulative change in the Consumer Price Index (CPI) every five years. Additional fees will be as stated in the Lease document.

The Lessee, MCI, LLC, plans to develop a hangar of at least 3,600 square feet in size on each parcel, and intends to use the hangars for storage of aircraft. Lease terms require that the Lessee apply for a building permit within 6 months of the lease commencement date and that all construction on both parcels must be complete within two years of the lease commencement date. The applicant has stated that they can comply with these deadlines.

The Airport Advisory Board considered the lease application at their October 8, 2009 meeting and recommends approval of the request.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
N/A	N/A	N/A

1. Resolution
2. Lease Application
3. Land Lease, including Exhibit A, legal descriptions and survey maps of Parcels 43 and 44, and Exhibit B, Design Standards for Improvements
4. Parcel location map

OPTIONS / ALTERNATIVES:

1. Vote "Yes" and approve the Resolution. This would allow MCI, LLC to lease Parcels 43 and 44 at the Las Cruces International Airport for a term of 30 years for an initial rent of \$4,000 per year.
2. Vote "No" and do not approve the Resolution, thus not approving MCI, LLC's Lease.
3. Vote to Amend the Resolution. This may include changing the terms of MCI, LLC's Land Lease.
4. Vote to table the Resolution and postpone discussion to a later meeting.

(Continue on additional sheets as required)

RESOLUTION NO. 10- 138

A RESOLUTION APPROVING A LAND LEASE OF THE CITY-OWNED PARCELS 43 AND 44 AT THE LAS CRUCES INTERNATIONAL AIRPORT TO MESILLA CAPITAL INVESTMENTS, LLC (DR. RENE DE LA VEGA, MANAGER) FOR A TERM OF THIRTY YEARS AT AN INITIAL RENT OF FOUR THOUSAND DOLLARS (\$4,000) PER YEAR.

The City Council is informed that:

WHEREAS, the City of Las Cruces, New Mexico, a municipal corporation, is the owner of certain real property known as the Las Cruces International Airport; and

WHEREAS, Mesilla Capital Investments, LLC (Dr. Rene De la Vega, Manager) has requested to enter into a lease agreement for Parcels 43 and 44 in order to develop hangars on the parcels; and

WHEREAS, Mesilla Capital Investments, LLC intends to use the hangars for storage of aircraft; and

WHEREAS, Mesilla Capital Investments, LLC has agreed to the City's terms and conditions, and a lease has been prepared with those terms and conditions in accordance with the Las Cruces Municipal Code Section 7.5; and

WHEREAS, under Section 3-54-1, NMSA, 1978, as amended, the property may be leased without referendum.

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

(I)

THAT the City of Las Cruces hereby approves the lease of Parcels 43 and 44 at the Las Cruces International Airport for the terms and conditions contained in the Las Cruces International Airport Land Lease, Parcels 43 and 44, Mesilla Capital Investments, LLC, Lessee, attached hereto and made part of this Resolution.

Resolution No. 10-138
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(II)

THAT the Mayor is authorized to execute the Lease on behalf of the City.

(III)

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

DONE AND APPROVED this _____ day of _____, 2009.

APPROVED:

Mayor

ATTEST:

City Clerk

VOTE:

Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Connor: _____
Councillor Pedroza: _____
Councillor Small: _____
Councillor Sorg: _____
Councillor Thomas: _____

Moved by: _____

Seconded by: _____

APPROVED TO FORM:

City Attorney

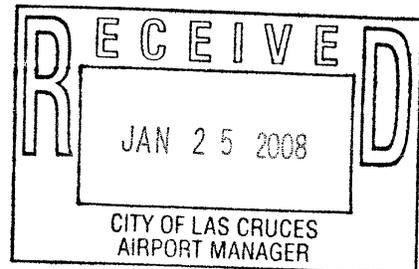
THE DARDEN LAW FIRM, P.A.
200 W. Las Cruces Avenue, Suite B
Las Cruces, New Mexico 88005
Post Office Box 578
Las Cruces, New Mexico 88004-0578

Telephone No.: (505) 541-6655
Fax No.: (505) 524-2059
E-mail: johndarden@zianet.com

January 24, 2008

HAND DELIVERED

Mrs. Lisa Murphy
Airport Manager
Las Cruces International Airport
Las Cruces, NM



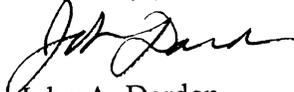
Re: Parcel No. 44

Dear Lisa:

I enclose an application for the above parcel. While I understand the Rocket Racing League has applied for the building permits, it still must complete the hangars within the time required. It is my and my partner's intentions to pursue our application and oppose any extension on any lot where the hangar has not been constructed within the required time. Besides building much needed rental hangar space, we also have in mind hangars, and commercial activities including aircraft avionics repair and aircraft painting. The current application is for hangars only as to make application for a business activity would require significant additional development. Given the fact that the permit for this parcel is already pulled, the expense of going further with other than hangar space for rent and personal use is not cost effective.

Thank you for keeping this application behind the Rocket Racing application. Should Rocket Racing not comply and the Council not grant it an extension, I will promptly pay the \$250 application fee.

Very truly yours,



John A. Darden

JAD/tlb

enclosures

cc: Dr. De La Vega
Mr. Walt Kowalski

Lett. to Ms. Murphy, parcel 44.wpd

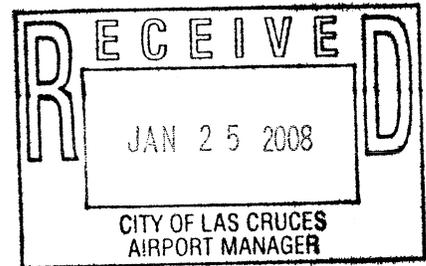
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Telephone No.: (505) 541-6655
Fax No.: (505) 524-2059
E-mail: johndarden@zianet.com

January 24, 2008

HAND DELIVERED

Mrs. Lisa Murphy
Airport Manager
Las Cruces International Airport
Las Cruces, NM



Re: Parcel No. 43

Dear Lisa:

I enclose an application for the above parcel. While I understand the Rocket Racing League has applied for the building permits, it still must complete the hangars within the time required. It is my and my partner's intentions to pursue our application and oppose any extension on any lot where the hangar has not been constructed within the required time. Besides building much needed rental hangar space, we also have in mind hangars, and commercial activities including aircraft avionics repair and aircraft painting. The current application is for hangars only as to make application for a business activity would require significant additional development. Given the fact that the permit for this parcel is already pulled, the expense of going further with other than hangar space for rent and personal use is not cost effective.

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Very truly yours,


John A. Darden

JAD/tlb
enclosures

cc: Dr. De La Vega
Mr. Walt Kowalski

Let. to Ms. Murphy, parcel 43.wpd

LAS CRUCES INTERNATIONAL AIRPORT LEASE APPLICATION
RETURN THIS COMPLETED APPLICATION TO:
City of Las Cruces, Airport Manager, P.O. Box 20000, Las Cruces, NM 88004

Use this Application Form to request a Lease of Land, Facilities, or Commercial Rights at the Las Cruces International Airport. Complete all blocks with the appropriate information; mark blocks "N/A" when they do not apply to your request. Continue on separate sheets if additional room is required.

1. INITIAL THE LEASE OR LEASES FOR WHICH YOU ARE APPLYING:

- SPECIALIZED AVIATION SERVICE OPERATION (SASO) LEASE:** All persons (other than transient aircraft operators) using the Las Cruces International Airport for commercial purposes are required to enter into a non-exclusive lease agreement with the City for the right to conduct such commercial activities on City property (e.g., the Airport).
- LAND LEASE:** All persons wishing to construct improvements at the Airport must first enter into a Land Lease for a suitable Parcel. Return this form, with \$250.00 earnest money to the Airport Manager who will initiate the lease approval process, which will include approval/disapproval by the City Council.
- FACILITY LEASE:** All persons wishing to occupy City-owned improvements at the Airport must first enter into a Facility Lease for the desired facility. Return this form, with \$250.00 earnest money to the Airport Manager who will initiate the lease approval process, which will include approval/disapproval by the City Council.

2. APPLICANT INFORMATION:

Name: John Darden, Mesilla Capital Investment, LLC Phone: (575) 541-6655.
 Address: P. O. Box 578, Las Cruces, NM 88004-0578 Fax: (575) 524-2059. E-mail:
 johndardennm@yahoo.com.
 If applying as a business or other legal entity: Business Name: If the lease is approved, we will create a limited liability company comprising the three of us to own the property. Co-Managers will be: John Darden, Osvaldo De La Vega

3. ACTIVITIES PROPOSED: Initial activities proposed to be conducted. For commercial activities, you will be required to conduct those activities proposed, and must also obtain a City of Las Cruces Business Registration, when required by law.

- | | |
|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Customer Services: <input type="checkbox"/> Food services including catering, restaurants, etc. <input type="checkbox"/> Temporary lodging, such as hotel and motel operations. <input type="checkbox"/> Transportation services, such as rental cars, shuttle buses, and taxis. <input type="checkbox"/> Airline Operations: <input type="checkbox"/> Air Carrier or Air Taxi Operations. <input type="checkbox"/> Transportation of cargo and/or mail by aircraft. <input type="checkbox"/> Other scheduled air transportation services or patrol activities. <input type="checkbox"/> Aircraft Support Services: <input type="checkbox"/> Aircraft manufacture, maintenance, repair and storage (as defined by the FARs): <input type="checkbox"/> Aircraft painting and/or washing using chemicals. <input type="checkbox"/> Aircraft major and minor repair and maintenance. <input type="checkbox"/> Manufacture, repair, or reconditioning of either new and/or used aircraft and/or parts. <input type="checkbox"/> Specialized repair services for aircraft appliances or aircraft components. <input type="checkbox"/> Warranty or guarantee service or supply. <input type="checkbox"/> Flammable liquid storage and/or sales. <input type="checkbox"/> Preventive Maintenance for aircraft. | <ul style="list-style-type: none"> <input type="checkbox"/> Sales, leasing, financing, insuring and/or brokerage of aircraft, airframes, engines, and/or other aeronautical items. <input type="checkbox"/> Storage of aircraft and parts. <input type="checkbox"/> Line Services (see Commercial Policy). <input type="checkbox"/> On-Demand Flying Services: <input type="checkbox"/> Aerial photography or survey. <input type="checkbox"/> Agricultural operations (including "crop dusting"). <input type="checkbox"/> Aircraft Charter operations for any purpose. <input type="checkbox"/> Aircraft rental to the public. <input type="checkbox"/> Banner towing. <input type="checkbox"/> Corporate Flight Operations. <input type="checkbox"/> Dropping objects from aircraft. <input type="checkbox"/> Fire fighting (water and chemical applications) and 'smoke jumping'. <input type="checkbox"/> Pilot instruction conducted independently of an FAR Part 141 certified flight school. <input type="checkbox"/> Pilot Schools conducted in accordance with FAR Part 141. <input type="checkbox"/> Parachute jumping. <input type="checkbox"/> Sightseeing flights. <input type="checkbox"/> Other (list): _____ |
|---|---|

The City Council may elect to review any application for approval, modification, or disapproval.

(Applicants Initials)

LAS CRUCES INTERNATIONAL AIRPORT LEASE APPLICATION

4. Aircraft to be based on the Leasehold (if any):

Class	Category	How Many	Proposed Use: Initially hangar one to three aircraft,
including for example that Cessna 172 owned by John Darden and that larger twin engine aircraft anticipated to be purchased by Mesilla Capital Investments while seeking commercial airport related business activities to lease hangar..			

5. Toxic or hazardous chemicals/substances, subject to regulation, permitting, and inspection by the EPA or NM State Environment Department, to be used/stored on the leasehold or other location on the Airport: None

6. Briefly Describe Your Proposed Land or Facility Requirements and Location on the Airport: 80 by 80 or an 80 by 60 hangar with bathroom with enclosed room for flight planning.

7. FOR FACILITY LEASES ONLY: What Lease Terms do You Desire:

_____ Maximum. Initial Term: One (1) year, with four (4) one (1) year optional extended terms.
 _____ Other. Describe:

8. FOR LAND LEASES ONLY: Briefly Describe the Proposed Improvements You Plan to Construct: We will purchase a metal building, insulate it and have some form of bi-fold or accordion doors. The hangar will be on a concrete pad with taxi ramp to the taxiway. The bathroom will be enclosed and will provide for toilet and hand washing. The flight planning room will be constructed of wood frame and will be sized to meet the demand. If the use justifies it, a second floor may be constructed along one wall to accommodate office and flight planning without impinging upon the hangar space within the hangar.

The City Council may elect to review any application for approval, modification, or disapproval.

 (Applicants Initials)

Land Lease**City of Las Cruces, New Mexico, International Airport.
MESILLA CAPITAL INVESTMENTS, 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, Mesilla Capital Investments, LLC ("Lessee") desires to lease particular Parcels 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 Parcels 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 two 10,000 square foot (100 feet by 100 feet) Parcels of real Property located in the NW 1/4 of Section 26, T23S., 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 43 and Parcel 44 on the Plat Showing Lease Properties 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 thirty (30) years (hereinafter "Lease Term") commencing on the "Commencement Date," as hereinafter defined, and terminating on the thirtieth (30th) anniversary of the Commencement Date. The Commencement Date shall be the 1st day of December, 2009 and the thirtieth anniversary date shall be the 30th day of November, 2039. Possession of the Parcel by the lessee shall begin on the Commencement Date.

b. Subsequent Lease. At the conclusion of the Lease Term, the Lessee shall have the right to enter into two additional five-year terms at the land lease rate in effect at the beginning of each of the five year terms. Should the Lessee elect to not enter into a new agreement, the provisions of paragraph 7.f.(2) shall apply.

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 Five Hundred Dollars and no cents (\$500.00), 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 for 20,000 square feet, which equals four thousand dollars and no cents (\$4,000.00), or two thousand dollars and no cents (\$2,000.00) per parcel 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 then current Fair Market Value of the land and building then in effect after the initial lease term and the two five-year renewals.

4. Payments Due.

Land Lease**City of Las Cruces, New Mexico, International Airport
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE**

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. **General Liability.** Lessee shall maintain general liability insurance insuring such claims. This insurance shall name the City of Las Cruces (City) as an additional insured. The insurance shall have a minimum per occurrence limit 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.

b. **Property Insurance.** Lessee shall maintain property insurance covering the improvements to the Parcel and the contents thereof. Such insurance shall be a property insurance policy with the broadest cause of loss endorsement including vandalism and malicious mischief. The insurance shall be on a replacement cost basis and shall name the City of Las Cruces as an additional insured, as its interests may appear.

c. **Proof of Insurance.** Such insurance shall be with a licensed and authorized company 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. The certificate of insurance shall provide the City of Las Cruces with a minimum 60 days notice of cancellation or renewal of the insurance policy. Lessee shall provide the City with notice of any changes thereof and furnish to the City evidence of acquirement of a substitute therefore and payment of 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 fee.

d. **Self Insurance.** Lessee may self-insure by filing with the City a letter of credit in the amounts listed above or other promissory or escrowed monetary instrument.

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 Parcels only for construction of a hangar of at least 3,600 square feet on each parcel for the storage of aircraft, as well as for the construction, maintenance and operation of said hangars in connection with these uses, 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.

Land Lease**City of Las Cruces, New Mexico, International Airport
MESILLA CAPITAL INVESTMENTS, 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 appropriate permitting agency, not later than six (6) months following the Commencement Date of this Lease, that date being June 1, 2010.

(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 and the conditions of any applicable groundwater discharge permit. 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 3,600 square foot Hangar on each parcel 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 December 1, 2011.

(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, in all cases, construction 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) City's Right to Correct Deficiencies. The City has the right to require reasonable maintenance and repairs to the Parcel or the improvements thereon by Lessee as required by this lease. Should the Lessee fail to make the required corrections, the City shall have the right to enter the Parcel, or improvements thereto, correct the deficiency, and recover the cost of activities from Lessee as rent due on the next rent payment date.

Land Lease**City of Las Cruces, New Mexico, International Airport
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE**

(4) 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 and 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 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.

(5) Destruction of the Parcel or Improvements Thereto. 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. Removal of Improvements.

(1) When Requested by Lessee. If at any time during the Lease Term, when all Rent then due and owing has been fully paid and Lessee is not in default under this Lease, Lessee may request to remove any or all improvements. Lessee shall give forty-five (45) days advance written notice of its intent to remove the improvements to the City, which shall not unreasonably withhold consent. When removing improvements, the Lessee shall restore the Parcel to its previously existing condition, including filling excavations, returning the surface to grade, and leaving the Parcel safe and free from all debris and hazards.

(2) At Expiration or Termination of Lease. At the expiration or termination of this Lease, any or all buildings and other permanent improvements to the Parcel will, at the direction and sole discretion of the City, either remain intact on the Parcel and become the property of the City, or be removed by the Lessee. Should the City elect for the Lessee to remove any or all improvements, the Lessee shall do so within forty-five (45) days. When removing improvements, the Lessee shall restore the Parcel to its previously existing condition, including filling excavations, returning the surface to grade, and leaving the Parcel safe and free from all debris and hazards. All improvements not removed as aforesaid shall, without compensation to or by City, become City's property free and clear of all liability and expenses. Lessee shall thereafter be released from any and all liability, cost or expense associated with the Parcel, including the improvements thereon, or associated with termination of this Lease. However, if Lessee fails to promptly remove said improvements if and as required by the city, the City may assess and bill Lessee based on receipt of an itemized statement of costs of removal and restoration of the Parcel.

g. 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.

h. 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.

i. 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 should be required by law, shall be the responsibility of the Lessee.

j. 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

Land Lease
City of Las Cruces, New Mexico, International Airport
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE

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.

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 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.

Land Lease**City of Las Cruces, New Mexico, International Airport
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE**

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.

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

Land Lease**City of Las Cruces, New Mexico, International Airport
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE**

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.

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

Dr. Rene De la Vega, Manager
2919 Hillrise
Las Cruces, New Mexico 88011

25. Exhibits. The following exhibits are attached and made part of this Lease:

- A. EXHIBIT "A": LEGAL DESCRIPTION OF PARCELS.**
- B. EXHIBIT "B": DESIGN STANDARDS FOR IMPROVEMENTS**

Land Lease
City of Las Cruces, New Mexico, International Airport
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE

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

Ken Miyagishima, Mayor

Rene De la Vega, Manager

(Signature) (Date)

(Signature) (Date)

CITY CLERK
(SEAL)

(Lessee's Initials)



March 29, 2006
 Lease Parcel 43
 05-S-084A

DESCRIPTION OF A 0.2296 ACRE PARCEL

A parcel of land situate within the corporate limits of the City of Las Cruces, Dona Ana County, New Mexico. In the NW1/4 of Section 26, T.23S., R.1W., N.M.P.M. of the U.S.G.L.O. Surveys. Being part of the Las Cruces International Airport Reserve and more particularly described as follows, to wit:

BEGINNING at a ½ inch rebar with City of Las Cruces identification cap set on the east side of a 160 foot wide taxiway for the northwest corner of the lease parcel herein described, whence station CRUCESAIR of the New Mexico High Accuracy Reference Network bears N89°52'41"W a distance of 2,756.71 feet;

THENCE FROM THE POINT OF BEGINNING leaving the 160 foot wide taxiway N89°48'33"E – 100.00 feet to a ½ inch rebar with City of Las Cruces identification cap set for the northeast corner of the lease parcel herein described;

THENCE S00°11'27"E – 100.00 feet to a ½ rebar with City of Las Cruces identification cap set for the southeast corner of the lease parcel herein described;

THENCE S89°48'33"W – 100.00 feet to a ½ inch rebar with City of Las Cruces identification cap set on the east side of said 160 foot wide taxiway for the southwest corner of the lease parcel herein described;

THENCE along the taxiway, N00°11'27"W – 100.00 feet to the point of beginning, containing 0.2296 acres of land more or less..

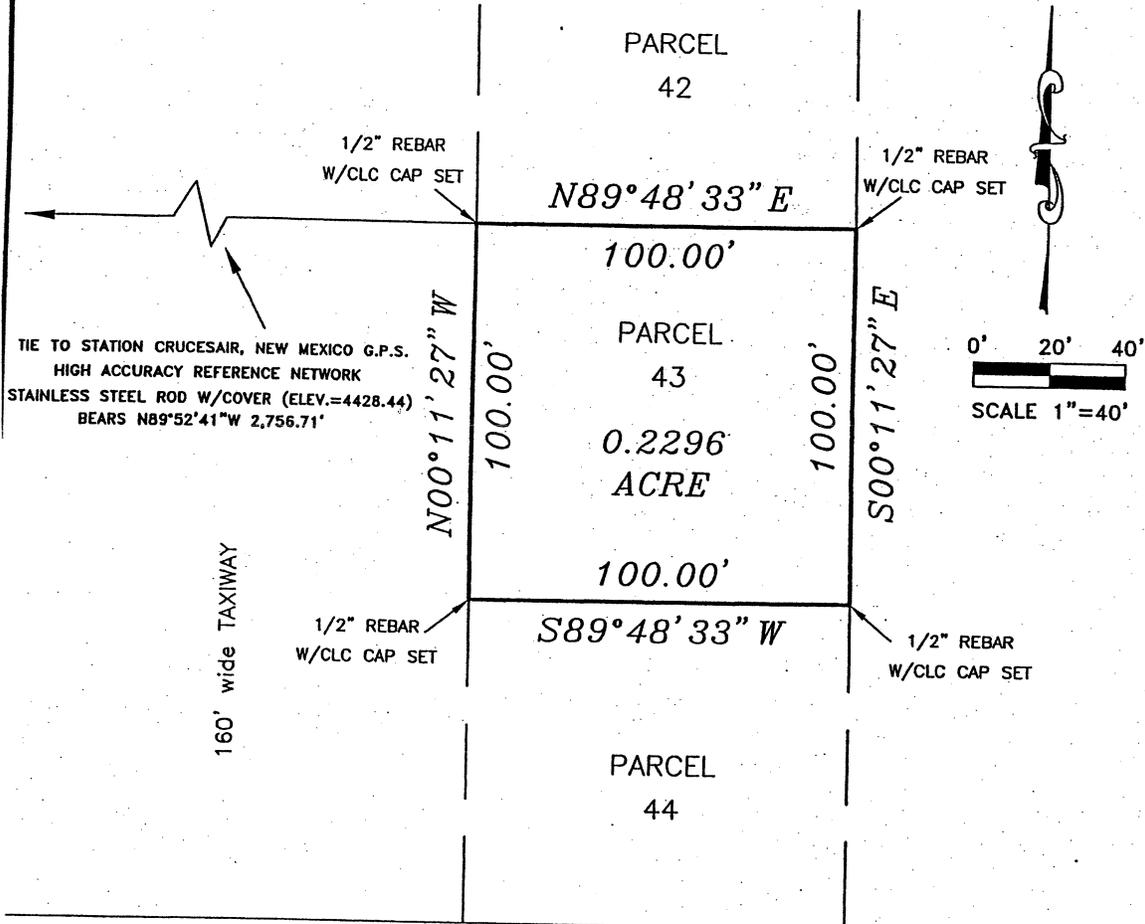
AUTHORITY STATEMENT: I, Gilbert Chavez, a New Mexico registered Professional Surveyor certify that I directed and am responsible for this survey, that this survey is true and correct to the best of my knowledge and belief, and that this survey and legal description meets the "Minimum Standards for Land Surveying in New Mexico."

THIS PROPERTY DESCRIPTION WAS PREPARED SOLELY FOR THE PURPOSE OF NEGOTIATIONS FOR LEASE. A FILED SUBDIVISION WILL BE REQUIRED FOR COMPLIANCE WITH THE CITY OF LAS CRUCES SUBDIVISION CODE.

Gilbert Chavez
 NMPS 6832

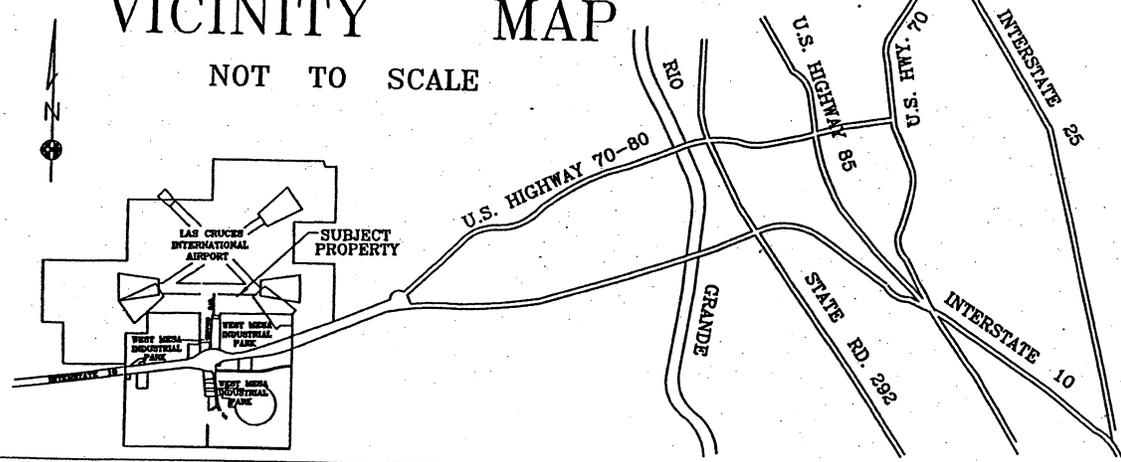
P.O. BOX 20000
 LAS CRUCES
 NEW MEXICO
 38004-9002
 505.541.2000

PROPOSED
 PLAT OF SURVEY
 OF A 0.2296 ACRE PARCEL
 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



HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL SURVEYOR
 OF THE STATE OF NEW MEXICO AND THAT THIS PLAT WAS PREPARED BY
 ME OR UNDER MY SUPERVISION FROM THE NOTES OF A BONIFIED FIELD
 SURVEY AND THAT IT MEETS THE "MINIMUM STANDARDS FOR LAND
 SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE
 BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS
 AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND
 BELIEF.

BERT CHAVEZ
 PS 6832

DEVELOPMENT SERVICES DIVISION CITY OF LAS CRUCES, NEW MEXICO			
PROJECT TITLE: AIRPORT - LEASE PROPERTIES - PARCEL 43			
PROJECT NO. 05S084-A			
SCALE 1"=40'	DATE	REVISIONS	SHEET
SURVEYOR GILBERT CHAVEZ PS	MARCH 2006		1
DRAWN BY JOHN RIVERA	MARCH 2006		OF
CHECKED BY			



March 29, 2006
 Lease Parcel 44
 05-S-084B

DESCRIPTION OF A 0.2296 ACRE PARCEL

A parcel of land situate within the corporate limits of the City of Las Cruces, Dona Ana County, New Mexico. In the NW1/4 of Section 26, T.23S., R.1W., N.M.P.M. of the U.S.G.L.O. Surveys. Being part of the Las Cruces International Airport Reserve and more particularly described as follows, to wit:

BEGINNING at a ½ inch rebar with City of Las Cruces identification cap set on the east side of a 160 foot wide taxiway for the northwest corner of the lease parcel herein described, whence station CRUCESAIR of the New Mexico High Accuracy Reference Network bears N87°48'04"W a distance of 2,759.07 feet;

THENCE FROM THE POINT OF BEGINNING leaving the 160 foot wide taxiway N89°48'33"E – 100.00 feet to a ½ inch rebar with City of Las Cruces identification cap set for the northeast corner of the lease parcel herein described;

THENCE S00°11'27"E – 100.00 feet to a ½ rebar with City of Las Cruces identification cap set for the southeast corner of the lease parcel herein described;

THENCE S89°48'33"W – 100.00 feet to a ½ inch rebar with City of Las Cruces identification cap set on the east side of said 160 foot wide taxiway for the southwest corner of the lease parcel herein described;

THENCE along the taxiway, N00°11'27"W – 100.00 feet to the point of beginning, containing 0.2296 acres of land more or less..

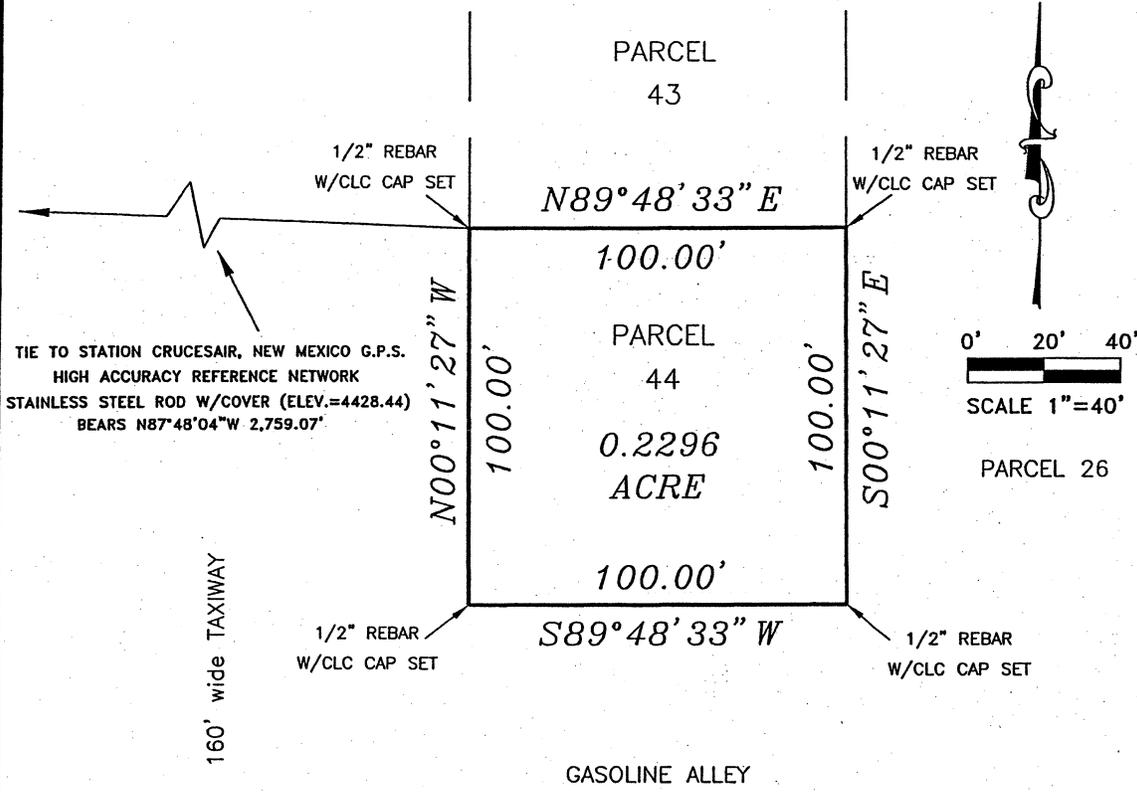
AUTHORITY STATEMENT: I, Gilbert Chavez, a New Mexico registered Professional Surveyor certify that I directed and am responsible for this survey, that this survey is true and correct to the best of my knowledge and belief, and that this survey and legal description meets the "Minimum Standards for Land Surveying in New Mexico."

THIS PROPERTY DESCRIPTION WAS PREPARED SOLELY FOR THE PURPOSE OF NEGOTIATIONS FOR LEASE. A FILED SUBDIVISION WILL BE REQUIRED FOR COMPLIANCE WITH THE CITY OF LAS CRUCES SUBDIVISION CODE.

Gilbert Chavez
 NMPS 6832

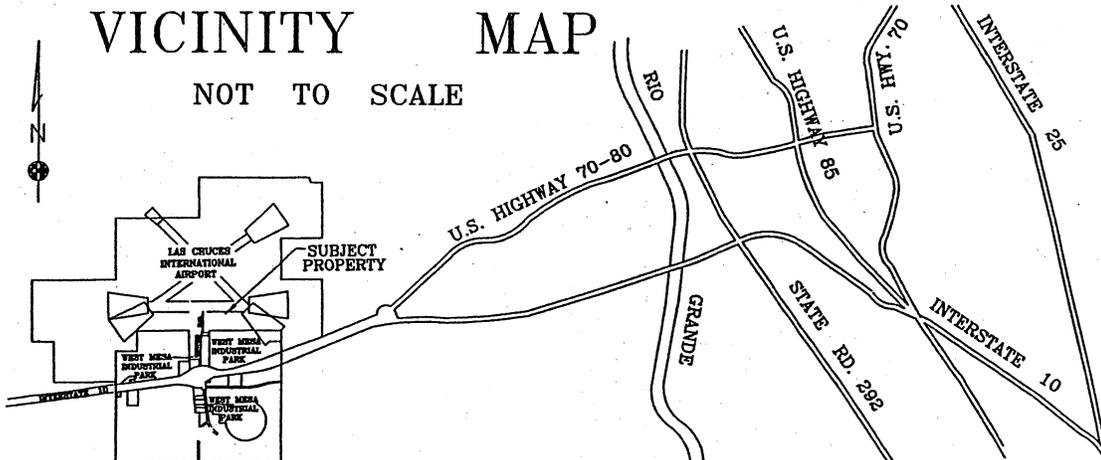
P.O. BOX 20000
 LAS CRUCES
 NEW MEXICO
 88004-9002
 505.541.2000

PROCESSED
 PLAT OF SURVEY
 OF A 0.2296 ACRE PARCEL
 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



I HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND THAT THIS PLAT WAS PREPARED BY ME OR UNDER MY SUPERVISION FROM THE NOTES OF A BONIFIED FIELD SURVEY AND THAT IT MEETS THE "MINIMUM STANDARDS FOR LAND SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

GILBERT CHAVEZ
 NMPS 6832

DEVELOPMENT SERVICES DIVISION CITY OF LAS CRUCES, NEW MEXICO			
PROJECT TITLE: AIRPORT - LEASE PROPERTIES - PARCEL 44			
PROJECT NO. 05S084-B			
SCALE 1"=40'	DATE	REVISIONS	SHEET
SURVEYOR GILBERT CHAVEZ PS	MARCH 2006		1
DRAWN BY JOHN RIVERA	MARCH 2006		OF 1
CHECKED BY			

**EXHIBIT "B" Design Standards for Improvements.
City of Las Cruces, New Mexico, International Airport.
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE**

1. Design Standards.

a. Setbacks from Aircraft Operating Surfaces. No above ground portion of any building nor any fences, landscaping, or walls taller than 24 inches shall be placed within twenty (20) feet of any taxiway, taxi lane, apron or ramp. All buildings and structures must comply with FAA A/C 150/5300-13 Airport Design and Construction.

b. Landscaping. All landscaping shall be designed to discourage the nesting and aggregation of birds and animals.

c. Exterior Lighting. Obstruction lighting shall be installed when required to meet FAA safety standards. Exterior illumination, including that in illuminated signs, shall never be angled above the horizontal, nor extend into flight patterns or other aircraft operating surfaces, unless designed and approved specifically for the purpose of aiding aircraft navigation or safety. Area lighting of buildings, vehicle parking areas and walkways shall be shielded so as not to shine above the horizontal, and shall not produce glare on adjacent streets, aircraft operating surfaces, or building sites.

d. Off-Street Parking and Loading. Off-street parking shall be required as per the City Zoning Code. No truck loading or unloading area shall be located on a building wall fronting on a major arterial or collector, or in the front setback of the Property.

e. Utility Construction. All utilities to be constructed at the Airport including water, wastewater, natural gas, telephone, electric, and video or audio cable, shall be constructed underground from the point of service to the parcel or improvement thereon.

f. Architectural Standards.

(1) Improvements on parcels bordering the West Mesa Industrial Park, or fronting Crawford Boulevard, shall adhere to the West Mesa Industrial Park Overlay Zone.

(2) Hangars.

a. Stand-alone hangars (one single open bay) shall contain no less than 3,600 square feet of total floor area, including aircraft parking space capable of containing, with the entry door closed, an aircraft with a wingspan of 41 feet, a nose-to-tail length of 35 feet, and a tail height of 13 feet. The aircraft entry door shall open no less than 44 feet wide and 14 feet high.

b. Multiple bay hangars (T-Hangars and the like) shall have no fewer than five bays. Each bay shall be capable of containing, with the entry door closed, an aircraft with no less than the following dimensions: Wingspan of 37 feet, nose-to-tail length of 29 feet, and tail height of 11 feet. Each bay shall have an aircraft entry door which shall open no less than 40 feet wide and 12 feet high.

c. All hangars shall be commercial grade metal buildings, but shall be painted, or permanently colored by manufacture. Natural metal is not acceptable as a finish. Hangars shall have a reinforced concrete pad no less than four (4) inches thick as a floor, and weatherproof, closing aircraft entry doors, and be provided with electrical service. Each stand-alone or T-hangar building shall have water service, fire extinguishers and other protection required by the City Fire Code.

d. Each hangar shall have an emergency eyewash and shower for chemical accidents. For stand-alone hangars, this may be located inside or on the exterior of the hangar. For multiple-bay hangars, this emergency facility shall be mounted on the exterior of the hangar, and there shall be at least one clearly marked facility located on at least one end of the building.

e. All hangars shall be connected to the Airport's paved aircraft movement surfaces by a paved surface, matching the grade of the aircraft movement surface, and no less than 25 feet wide, and of construction suitable for the type of aircraft hangared, but no less than two (2) inches of asphalt over a six (6) inch base course of 95% compaction, or four (4) inches of reinforced concrete.

(3) Standards for Buildings fronting Zia Boulevard, Wingspan Drive, Gasoline Alley or Crawford Drive.

a. The sides of all buildings facing any street shall be faced with concrete or brick masonry, stone, or other material approved by the City. The facing shall be to a minimum height of four (4) feet and extend across the full front of the building.

**EXHIBIT "B" Design Standards for Improvements.
City of Las Cruces, New Mexico, International Airport.
MESILLA CAPITAL INVESTMENTS, LLC, LESSEE**

b. Those other sides of the building not facing streets shall be finished in an attractive manner in keeping with the accepted standards used for industrial buildings.

h. Height of Buildings. Buildings shall not exceed a height which penetrates the FAR Part 77 surfaces. Lessee shall adhere to FAR Part 77 requirements for notice of construction, including submission of FAA Forms 7460-1 "Notice of Proposed Construction of Alteration" prior to beginning construction.

i. Wind Resistance. All buildings shall be designed to withstand winds of eighty-five (85) miles per hour.

j. Aircraft Parking Areas and Aprons. All aircraft parking surfaces shall be paved. Such surfaces shall be either reinforced concrete of no less than four (4) inches in thickness, or asphalt of no less than two (2) inches of asphalt with six (6) inches of base course with 95% compaction.

k. Minimum Improvement Areas.

(1) Each parcel adjoining the aircraft operating surfaces upon which buildings are to be constructed, shall be developed so that the buildings cover no less than 36% of the parcel.

(2) Each parcel upon which aircraft parking areas are to be established shall be developed so that those surfaces cover no less than 75% of the parcel, including that area upon which buildings are constructed. In addition, all such aircraft parking areas shall be connected to the established aircraft movement areas with a taxiway or direct abutment no less than 40 feet wide and constructed to the same standards as the apron.

l. Limit Erosion. The City encourages all Lessees or Tenants to limit grading and clearing activities on a site to the actual physical area planned for facility development, to limit soil erosion and blowing sand and dust.

m. Seasonal Restrictions. The City may, in the approval of the building and site permits, impose any reasonable condition on activities, such as landscaping, or regulation of grading during certain months of the year, to mitigate the effects of the activity's appearance, noise, traffic, dust and similar impacts.

2. Maintenance.

a. Orderliness. Lessees and Tenants shall keep and maintain the buildings, structures, parking areas, landscaping, signs and other improvements to the Airport under their care or control in an orderly and well maintained condition.

b. Blowing Dust to be Controlled. All areas of disturbed earth not in landscaped areas shall be maintained with ground cover plants and grasses to reduce blowing dust.

c. Outside Storage and Trash. All rubbish, trash, garbage, debris and other wastes, all loading docks and garbage collection facilities, and all other articles, goods, materials, incinerators, trash bins, storage tanks or like equipment shall be stored at the side or rear of the building and the improvements with which same are associated. All such storage shall be screened from public view or from a view from adjacent buildings in a manner approved in writing by the Airport Manager. Screening materials shall be maintained in a functional and aesthetic condition and be constructed and designed in such a manner so that they equal a height equal to that of the materials or equipment being stored but in no event less than four (4) feet in height.

d. Hazardous Materials. All storage of toxic or hazardous materials and waste will be in accordance with environmental statutes and regulations, and shall be protected from inadvertent public access (by fencing, under lock and key, etc.).

e. Security. When a parcel or proposed improvement is located in such a position as to form the boundary of a legally required safety or security perimeter, the Lessee may be required to construct and maintain the required barrier. The lessee shall permit the City to construct any such barrier without interference.

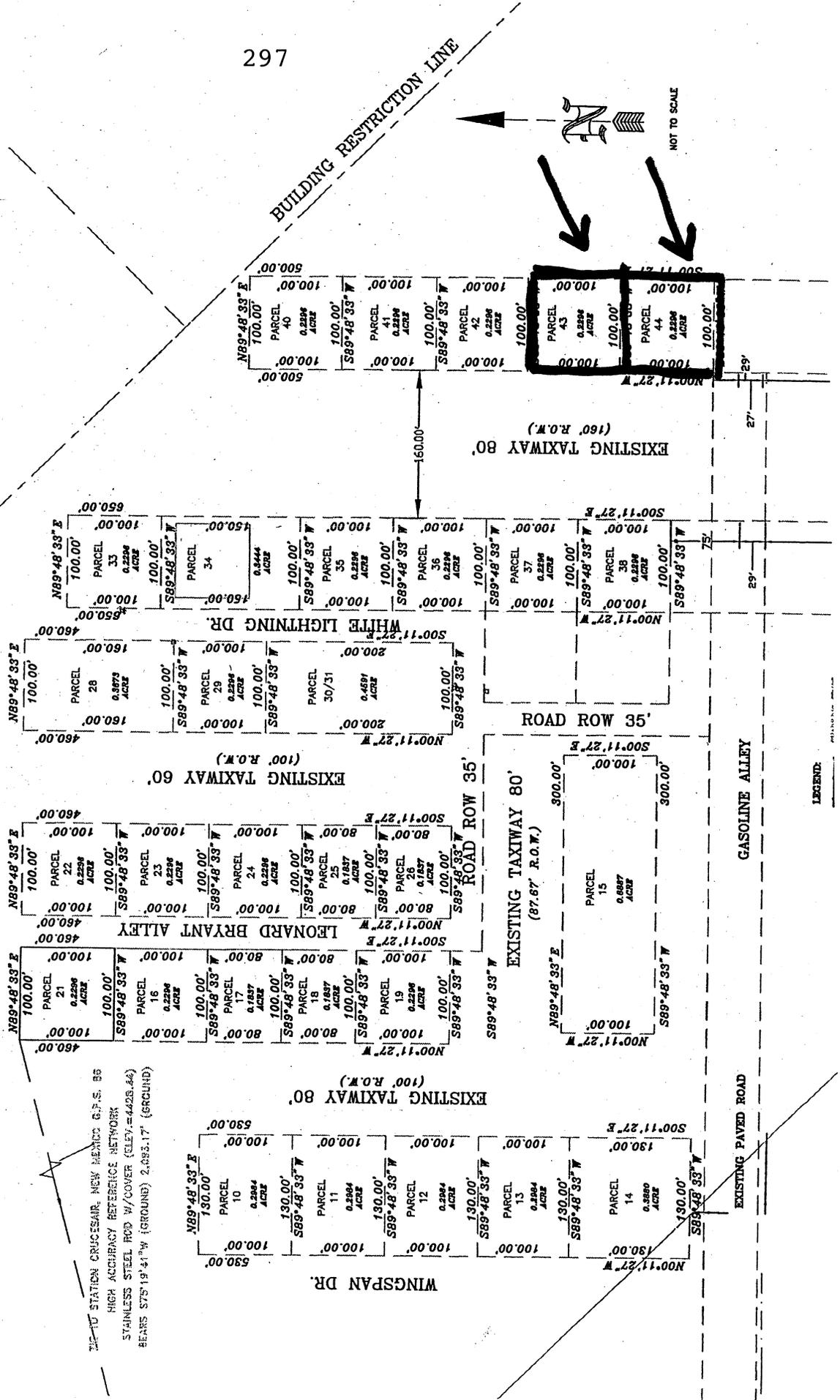
3. Temporary Structures. No temporary building or structure other than construction offices and structures for related purposes during the construction period shall be installed or maintained on any Building Site without the prior written approval of the Airport Manager. All temporary structures used for construction purposes must receive approval by the Airport Manager with regard to location and appearance. All such buildings shall be removed promptly upon completion of construction and that portion of the Building Site from which same are removed, restored to its original condition or to such condition as is otherwise required by these standards.

PRELIMINARY

PLAT SHOWING LEASE PROPERTIES
 AT THE LAS CRUCES INTERNATIONAL AIRPORT
 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

THE 10 STATION CRUCESAIR, NEW MEXICO G.P.S. 85
 HIGH ACCURACY REFERENCE NETWORK
 STAINLESS STEEL ROD W/COVER (ELEV.=4423.44)
 BEARS S75°19'41"W (GROUND) 2,083.17' (GROUND)

EXISTING RAMP APRON





P.O. Box 20000
 Las Cruces, NM 88004-9002
 (575) 541-2111

Check this box for address correction. Print changes below.

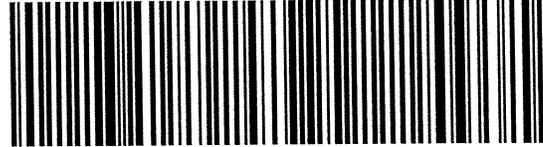
54_540909
 2819

Account Number:	245908090-179130
Bill Number:	193823
Current Amount Due By:	October 30, 2009
Current Charges:	\$18.59
Total Amount Due:	\$18.59

Total Amount Remitted:	
------------------------	--

Please return this section with your payment.

CITY OF LAS CRUCES
 CLC AIRPORT
 PO BOX 20000
 LAS CRUCES, NM 88004-9002



245908090-000179130



Please make your check payable to **City of Las Cruces**. If you are paying in person, please bring this bill to our office located at 200 N Church in Las Cruces, NM.

Page 1 of 2

Bill for service at:
 GASOLINE ALLEY
 LAS CRUCES, NM 88005

P.O. Box 20000
 Las Cruces, NM 88004-9002
 (575) 541-2111

Payment Due Date: October 30, 2009
 Account Number: 245908090-179130
 Bill Number: 193823
 Billing Date: September 30, 2009

● **Billing Summary**

Previous Amount Due.....	\$18.59
Payments and Credits.....	-18.59
Adjustments.....	.00
Late Charges.....	.00
Past Due.....	.00
Gas Service.....	18.59
Water Service.....	.00
Wastewater Service.....	.00
Solid Waste Service.....	.00
Development Impact Fees.....	.00
Miscellaneous Fees.....	.00
Deposit.....	.00
Current Charges.....	\$18.59
Past Due + Current Charges.....	\$18.59

● Total Amount Due:	\$18.59
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Miscellaneous Fees Detail:

● **Wastewater Service Current Charges**

Billing Period Month	Rate Class

Dec. Water Bill	Jan. Water Bill	Feb. Water Bill	Avg Winter Water Use	90% of Avg Use
History unavailable until February 2010				
Access Fee				\$0.00
First _____ gallons x \$ _____ /1000 gallons.....				
Next _____ gallons x \$ _____ /1000 gallons.....				
Wastewater Franchise Fee.....				0.00
Governmental Gross Receipts Tax.....				0.00
● Total Charges for Wastewater Service				\$0.00

● **Solid Waste Service Current Charges**

Billing Period Month	Rate Class	Route No.

Monthly Fee.....	\$0.00
Additional Services	0.00
Recycling Fees.....	0.00
Senior Rate Contribution.....	0.00
Solid Waste Franchise Fee.....	0.00
Governmental Gross Receipts Tax.....	0.00
● Total Charges for Solid Waste Service	\$0.00



Account Number: 245908090-179130

54_540909 Billing Date: September 30, 2009

Customer Service Information

CHECKS RETURNED FOR INSUFFICIENT OR UNCOLLECTED FUNDS MAY BE COLLECTED ELECTRONICALLY FROM YOUR CHECKING ACCOUNT FOR THE AMOUNT OF THE CHECK PLUS PROCESSING FEE PLUS TAX.

LIVE COVERAGE OF THE NOV. 3 CITY ELECTION WILL BE AVAILABLE ON CLC-TV AND AT CLCTV.COM BEGINNING AT 7 PM.

THIS BILL IS DUE BY: 10/30/2009

Payments may be made by phone at 1-866-426-9757 or online at <https://munis-mss.las-cruces.org/mss/>

If you have any questions about this bill, please call Customer Services Monday through Friday from 8:00 am to 5:00 pm at (575) 541-2111. For TTY Communication, please use NMRN 1-800-659-8331 and ask them to place your call to (575) 541-2111. For 24 hours emergency service, please call (575) 526-0500. This document is available in alternate formats. For Payment arrangements or late bills please call (575) 541-2061.

Development Impact Fees Current Charges

Unbilled Balance:		Current Charges:	
Water Development Impact Fees	\$0.00	Water Principal	\$0.00
Wastewater Development Impact Fees	0.00	Water Interest	0.00
Total Unbilled Balance	\$0.00	Wastewater Principal	0.00
		Wastewater Interest	0.00
		Total Charges for Development Fees	\$0.00

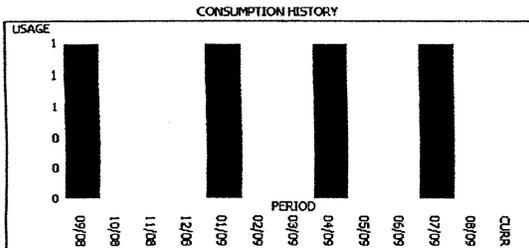
Gas Service Current Charges

Billing Period Read Date
September 28

Rate Class
7100
RG GASSALE

Meter Number	Current Reading	Previous Reading	Dekatherms (Dth) Used*
9822003	38	38	0

*Mcf conversion to dth factor 1.22190



Access Fee		\$17.50
Cost of Service Charge	0 Dth x \$ 1.5597/Dth	0.00
Gas Franchise Fee		0.00
Cost of Service Subtotal		17.50
Cost of Gas Charge	0 Dth x \$ 2.9827/Dth	0.00
Cost of Gas Franchise Fee		0.00
Cost of Gas Subtotal		0.00

Gross Receipts Tax 1.09

Total Charges for Gas Service	\$18.59
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Water Service Current Charges

Billing Period Read Date

Rate Class

Meter Number	Current Reading	Previous Reading	1000 Gallons Used

Access Fee		\$0.00
First	gallons x /1000 gal...	
Next	gallons x /1000 gal...	
Landscape meter	gallons x /1000 gal...	
Water Rights Acq.	gallons x /1000 gal...	0.00
Water Rights Mgt.	gallons x /1000 gal...	0.00
Water Franchise Fee		0.00

Governmental Gross Receipts Tax 0.00

Total Charges for Water Service	\$0.00
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October 20, 2009

Mr. Jim Ratje, Owner
AIR, LLC
PO Box 707
Mesilla, NM 88046

Dear Mr. Ratje:

I would like to take this opportunity to welcome you as a commercial tenant of the Las Cruces International Airport. As per your Specialized Aviation Service Operation (SASO) lease, you are authorized to operate an aircraft maintenance/repair and upholstery business called AIR, LLC from hangars at 9400 Zia Boulevard that are subleased from Adventure Aviation Inc., contingent on providing the following:

1. Declarations page from insurance company providing your business coverage showing the City named as additional insured.
2. Proof of the required 3,000 square feet of hangar space
3. Names and professional licenses/certifications of any employees you hire, their hours of work, and their job title.

Your SASO lease is for a period of one year with the possibility of four additional one-year extensions. Please keep me informed as to any changes in the nature of your business, employees, insurance coverage, etc., to ensure continued conformance with the Airport's Minimum Standards. If you have questions, please contact me at 541-2471.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Murphy".

Lisa Murphy
Airport Manager

cc: ✓ Brian Denmark, Facilities Director
Doug Newton, Adventure Aviation Inc.

P.O. BOX 20000
LAS CRUCES
NEW MEXICO
88004-9002
505.541.2000

AN EQUAL OPPORTUNITY EMPLOYER