ROSWELL AIRPORT COMMITTEE
Tuesday, March 17, 2015 at 8:00 a.m.
Conference Room at Roswell City Hall
425 N. Richardson Avenue

Committee Chair: Mr. Steve Henderson
Committee Members: Mr. Jason Perry, Mr. Savino Sanchez, Jr.
Staff Coordinator: Ms. Jennifer Brady
Staff Members: Mr. Scott Stark, Mr. Walt Ramirez

A. Call to Order

B. Roll Call

C. Approval of the Agenda

D. Approval of the Minutes

1. Consider approval of the February 17, 2015 minutes, **pages 3 through 7**

E. Non-Action Items

2. None

F. Regular Items (Action Items)

3. Request approval of lease option on an area of land to Walker Aviation Museum Foundation – Mr. Don Armstrong/Mr. Stark, **page 8**
4. Request approval of new lease to Fuego Wireless, LLC, on a portion of two water tower legs and grounds – Mr. Stark, **page 9**
5. Request approval of lease renewal to Old Dog Brotherhood, Roswell Chapter, on Building No. 734 – Mr. Kevin Ziengenfuss/Mr. Stark, **page 10**
6. Request approval of lease renewal to Associated Records, Inc., on Building 250 grounds and dock areas - Mr. Josh Hartwell /Mr. Stark, **page 11**
7. Request approval of lease renewal to Cliff Waide, on "T" Hangar Building No. 120, Space 4 – Mr. Cliff Waide/Mr. Stark, **page 12**
8. Request approval on lease addendum to add to leasehold on a portion of Building No. 1770 to Birdman Air Enterprises, Inc. – Mr. Steve Birdman/Mr. Stark, **page 13**

G. Other Business (Non-Action)

9. Manager's Report – Ms. Jennifer Brady
10. Property Manager's Report Accounts Receivables – Mr. Scott Stark
11. Public Comments

H. Adjourn

Next Meeting: April 21, 2015

Notice of this meeting has been given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution 14-36.

if you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Human Resources at 575-624-6700 at least one week prior to the meeting or as soon as possible. Public documents including the agenda and minutes can be provided in various accessible formats. Please contact the City Clerk at 575-624-6700 if a summary or other type of accessible format is needed.

Printed and posted: 3/12/2015

ROSWELL, NEW MEXICO
CITY COUNCIL
CONSENT ITEM ABSTRACT
Meeting of April 9, 2015

CONSENT ITEM#

DEPARTMENT: Air Center

CONTACT: Scott Stark 347-5703
COMMITTEE: Airport
CHAIR: Steve Henderson

ATTACHMENTS: N/A

PURPOSE: The City Council must approve all new leases/amendments proposed for the properties at the Roswell International Air Center.

NEED: The Airport Committee has requested that the proposed leases/amendments be considered for approval to allow the tenant to take possession of the property.

IMPACT:
Option Contract for Lease on 4.1 acres of land – To Walker Aviation Museum Foundation, for the purpose of building a stand-alone museum. Tenant agrees to pay the sum of $500.00 not later than May 1, 2015. The option Contract period shall be May 1, 2015 through April 30, 2020.

Lease Agreement (new) on a portion of two water tower legs and grounds at 91 Earl Cummings Loop East – To Fuego Wireless, LLC, a New Mexico Limited Liability Company, for the purpose of transmission and reception of telecommunications signals. $2,000.00 monthly; $24,000.00 annually. Annual rate of return is 48000.00%. Term: May 1, 2015 through April 30, 2020.

Lease Agreement (renewal) on Building No. 734 – To Old Dog Brotherhood, Roswell Chapter, for the purpose of meetings and vehicle maintenance. 2,484 square feet. $116.00 monthly; $1,392.00 annually. Annual rate of return is 5.22%. Annual rent adjustment is 2.65%. Term: May 1, 2015 through April 30, 2016. Old Dog Brotherhood, Roswell Chapter has been a customer since April 2011.

Lease Agreement (renewal) on Building No. 250 grounds and dock areas – To Associated Records, for the purpose of document storage and shredding. 20,000 square feet. $2,948.00 monthly; $35,376.00 annually. Annual rate of return is 6.86%. Annual rent adjustment is 3.47%. Term: May 1, 2015 through April 30, 2020. Associated Records has been a customer since May 2005.

Lease Agreement (renewal) on "T" Hangar Building No. 120, Space 4 – To Cliff Waide, an individual, for the purpose of aircraft storage and maintenance. 1,175 square feet. $175.00 monthly; $2,100.00 annually. Annual rate of return is 11%. Annual rent adjustment is 6.71%. Term: May 1, 2015 through April 30, 2016. Cliff Waide has been a customer since January 2013.

Fourth Addendum to Lease Agreement on a portion of Building No. 1770 – To Birdman Air Enterprises, Inc., Tenant's leasehold is increased by 1,750 square feet (50'x35') in Building No. 1770 effective May 1, 2015.

RECOMMENDATION: The Airport Committee recommends the approval of the lease agreements and lease amendments as proposed.

MINUTES OF THE AIRPORT COMMITTEE
February 17, 2015

REGULAR MEETING 8:00 A.M.

CALL TO ORDER AND WELCOME – The regular meeting of the Airport Committee was called to order at approximately 8:01 a.m. by Chairman Henderson.

ROLL CALL

Those present: Councilor Steve Henderson, Councilor Savino Sanchez, and Councilor Jason Perry (via telephone).

Staff present included William Zarr, City Attorney, Jennifer Brady, Airport Manager, Scott Stark, Property Manager, Walt Ramirez, Office Manager.

Guest present included Don Armstrong, Judy Armstrong, Jim Burress, James Salas, Jeff Jackson, Larry Connelly, Dale Mullinax, Bob Donnell, Steve Wolfe, Mike Clarke, John Mulcahy, and Greg Neal.

APPROVAL OF AGENDA

Councilor Sanchez motioned to approve the agenda with the removal of item number three, Fuego Wireless, LLC. The Chair seconded. A voice vote was unanimous and the motion passed.

APPROVAL OF MINUTES – Councilor Sanchez motioned to approve the regular minutes of the January 20, 2015 meeting. The Chair seconded. A voice vote was unanimous and the motion passed.

NON-ACTION ITEMS

2. Walker Aviation Museum Foundation

Mr. Don Armstrong stated the museum has occupied two suites in the terminal for the last five years and have outgrown the suites. He stated the museum would like to move out of the terminal and build a stand-alone museum in Roswell, preferably at the RIAC. Mr. Armstrong said the museum has located 2.6 acres of land about a block east of the terminal and is hoping the Airport Committee and the City Council can provide them the area of land so they may build their museum. Mr. Armstrong said they intend to build 50' X 100' foot steel building at minimum. Mr. Armstrong said they have a dilemma

DRAFT

because they don't have any property. He said they cannot go out and raise money or ask for donations without having property. Mr. Armstrong said they intend to raise a million dollars. He said they believe they can raise the money between 18 to 36 months. Mr. Armstrong said what they are asking the City Council and the Airport Committee for is a five year option to lease property and what they think is fair for the five year period of time is $500 to hold the property while the museum raises the money. Mr. Armstrong said after the five years is up and they built a museum they hope to renegotiate their lease for 25 to 30 years. Councilor Perry joined the meeting by telephone. Mr. Armstrong said what the museum can do for the City of Roswell is bring more people into the City which will generate gross receipt tax. He also said the location would improve the aesthetic in that particular area and thinks it would draw people to build new businesses in that area of RIAC. Mr. Armstrong also stated once the museum is open and they have warbirds on display he believes that will draw more people to the City of Roswell and to RIAC. He said they have plans to restore an F105 they would like to put on the property in the next two years so they may display something of Air Force. Mr. Armstrong said since the museum has been open they have had probably 3,500 people come through and they intend to increase that amount by the displays they are going to put in. He said one of the key issues the museum is going to bring is education to the children and young adults of Roswell. Mr. Armstrong said they intend to bring history not only to Walker Air Force Base, but the original Roswell Army Air Field flying institution that was built during World War II will remain vibrant in the City of Roswell and in the state of New Mexico. He said their plan is to build hands on devices for training for the young people of Chaves country. Mrs. Armstrong said the museum is working with the historical preservation office to place a historical marker by the highway near RIAC.

REGULAR ITEMS (Action Items)

3. Request approval of new lease to Zachary Canright, on "T" Hangar Building No. 120, Space 3 – Councilor Sanchez motioned to approve the new lease to Zachary Canright, on "T" Hangar Building No., 120, Space 3, to full council on the March 12, 2015 City Council consent agenda, for the purpose of aircraft storage and maintenance, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised that it is the hanger Mr. Brandon Arnold had. He decided to move his airplane to Hangar No. 91. Mr. Stark stated Mr. Canright was the next person on the T-Hangar waiting list. He said Mr. Canright accepted the hangar and his rent is $169.00 per month. A voice vote was unanimous and the motion passed.

4. Request approval of new lease to Zen Sports, Inc., on office space in Terminal Building No. 1 – Councilor Sanchez motioned to approve the new lease to Zen Sports, Inc., on office space in Terminal Building No. 1, to full council on the March 12, 2015 City Council consent agenda, for the purpose of a business office, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised Mr. Mike Clarke approached staff a couple of weeks ago and said he was interested in starting a business

DRAFT

in Roswell. He said he needed a place with a small office and a physical address to get started. Mr. Clarke said he is CEO and president of Zen Sports, Inc. He said they manufacture various sport braces. Mr. Clarke said he will not be using the office space for an office but for a mailing address until they figure out their on-going plans in terms of space needed. A voice vote was unanimous and the motion passed.

5. Request approval of lease renewal to AerSale, Inc., on a portion of Building No. 112A and 112B – Councilor Sanchez motioned to approved the lease renewal to AerSale, Inc., on a portion of Building No. 112A and 112B, to full council on the March 12, 2015 City Council consent agenda, for the purpose of providing commercial aircraft engines and their component parts, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark said staff recommends renewal of the lease with a 2.99% increase in rent to $2,725.00 a month. Mr. John Mulcahy said he wanted to inform the Committee and staff of a project he's been dealing with over the past four and half months. He said a Commercial Aerospace Company is looking for a building that is 700 feet long. He believes it may have something to do with rocketry. He said he searched throughout the County to find buildings that long. Mr. Mulcahy said these two buildings combined and the one adjacent to them across the rail and Millennium are the only ones he could find. He said this one is 800 feet long. Mr. Mulcahy said their intent is to grow their business to 210,000 square feet with over 200 employees. He said it could be the largest employer on the air base. Councilor Perry asked what is the option for the AerSale, Inc., lease if there was something else the City wanted to do with the building. Mr. Stark said the lease is for five years and the City does have an out with a 90 day notice for either party. Mr. Mulcahy asked if he could look in the building before creating a situation to find out it isn't the right building. After more discussion a voice vote was unanimous and the motion passed.

6. Request approval of lease renewal to Bellitas Cappuccino Grill, on a portion of Building No. 1, the coffee shop – Councilor Sanchez motioned to approved the lease renewal to Bellitas Cappuccino Grill, on a portion of Building No. 1, the coffee shop, to full council on the March 12, 2015 City Council consent agenda, for the purpose of operating a food service activity, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised the monthly rent went from a $100.00 to $150.00. He said staff kept the rent low before because it seem their business was in trouble and the service was needed. Mr. Stark said they are doing better. A voice vote was unanimous and the motion passed.

7. Request approval of lease renewal to Thurston Woods, on a portion of Building No. 1776 – Councilor Sanchez motioned to approved the lease renewal to Thurston Woods, on a portion of Building No. 1776, to full council on the March 12, 2015 City Council consent agenda, for the purpose of storage of personal items, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised there are no

DRAFT

changes in the lease renewal other than a rent increase of 2.52% to $163.00 a month. A voice vote was unanimous and the motion passed.

8. Request approval of Lease Addendum to Jon E. Hitchcock, Robert B. Corn, James Patterson, Siavash Karimian, Brandon Arnold, John Berry, and Double H Aviation – Councilor Sanchez motioned to approved the First Addendum to Lease Agreement on portions of Hangar No. 91, Space A and B, and joint use of the common area to Jon E. Hitchcock, Robert B. Corn, James Patterson, Siavash Karimian, Brandon Arnold, John Berry, and Double H Aviation, LLC, to full council on the March 12, 2015 Council consent agenda, beginning April 1, 2015 Double H Aviation, LLC, is removed from the lease. Councilor Perry seconded. Mr. Stark advised the purpose of this addendum is for the removal of Double H Aviation, LLC, from the lease. A voice vote was unanimous and the motion passed.

OTHER BUSINESS (NON-ACTION)

9. Manager's Report – Ms. Brady reported the construction project is still coming along, but the weather is not helping. Ms. Brady said right now they are probably in the middle of April before completion. Ms. Brady also reported the Airport completed their FAA inspection last week and had a couple of write ups, nothing serious. Ms. Brady also reported Airport staff had a special 139 training class last Thursday and Friday. Ms. Brady said the Navy's barbecue is this Friday and will be hosted by Excel Energy. Ms. Brady said Saturday a new group is switching out and this will be last of the three groups. She said this group will go through the 14th of March. Ms. Brady said she received an email last night in regards to aircraft noise bothering some of the community. Ms. Brady said the last item to report is the Airport has received the SCASDP grant. She said the consultant who helped write the application looked over the grant and concurred that the City should sign it. Ms. Brady said the grant money can be used for our new air service.

10. Property Manager's Report Accounts Receivables – Mr. Stark reported for accounts receivables is about the same as last month's. Mr. Stark said Sprint is a little behind in their rent and he is working with them. He said he received a partial payment and is expecting more within the next week or so.

11. <u>Public Comments</u>

Mr. Mulcahy said he was honored to be hosted by the Salinas, Kansas Airport over the weekend. He said he met with members of their Board Authority, Director of Finance, Administration, and with the Executive Director of the Airport. Mr. Mulcahy said it is a different structure there and it is a very successful one. He said they have 4200 people working on the Air Center and it is about half the size of our Air Center. He said from the day the Air Force gave it over to the City it was a little different structure and he would like to comment on some of the parts that he was impressed with. He said one rule there is that they make money on everything. He said one thing they were doing was

DRAFT

agriculture between the runways. He also said they had the same environmental issues that we face and they sued the Federal Government and won. Mr. Mulcahy said they were recommending some of these things to him. He said they take no tax payer money for anything they do there. He said they do not let the hangars decay. They do their own lease hold improvements and they do not do rent abatements at all. He said they do not store anything it is not considered to be best use of those facilities and they don't have an inventory tax. He also said they have dedicated a hangar they use as a Sport Facility because it would generates more jobs. Mr. Mulcahy said it is thinking outside of the box, it is saying how can we do stuff with these hangars, keep them in the best shape possible, build our own building to suit, but always look for revenue. He said the hangar rent they had available was $6.15 a square foot. Mr. Mulcahy said he would bring more information and stated Roswell has a heck of a facility here. He said they did not have anything like we have in terms of big hangars. He said they took every single building and built on the air base. They took advantage of their industrial zoning and turned it into a world class money making type place.

Mr. Mike Clarke commented on perhaps having Air Shows, because of the facilities here. He said it would be a big draw. He said in the Dallas area people would come from hundred miles around for both military and private shows. He said with all the airplanes parked and working in the area it would be a great opportunity for a fund raising type of event for the City and continue to build events to draw people to the area.

ADJOURN

Councilor Sanchez motioned to adjourn. The Chair seconded. A voice vote was unanimous and the motion passed. The meeting adjourned at 8:48 a.m.

Submitted by Walt Ramirez

DRAFT

Option Contract for Lease of 4.1 Acres, More or Less, Between the City of Roswell and Walker Aviation Museum Foundation

This Option Contract shall be effective with approval of the City Council of Roswell at their scheduled meeting April 9, 2015.

In consideration of the City of Roswell, hereinafter City, granting the option to lease 4.1 acres, more or less, Walker Aviation Museum Foundation, hereinafter Walker, agrees to pay the sum of Five Hundred Dollars and No Cents ($500.00) not later than May 1, 2015.

The Option Contract period shall be May 1, 2015 thru April 30, 2020.

If Walker exercises this option, Walker agrees to lease approximately 4.1 acres of land immediately east of the airport terminal building between Earl Cummings Loop East, Jerry Smith Circle and East Challenger Street. The rental rate for the lease term will be negotiated at the time the option is exercised. The lease option contract price of $500.00 in this event will be applied toward the first year lease rental amount. Walker agrees that to lease under the terms and conditions of the Roswell International Air Center's basic lease. Should Walker have the opportunity to exercise but choose not to exercise this Option Contract between May 1, 2015 and April 30, 2020, the Option Contract price of $500.00 will be forfeit.

This Option Contract may not be assigned.

IN WITNESS WHEREOF, this Option Contract is executed this _____ day of April, 2015

CITY SEAL

LANDLORD:
CITY OF ROSWELL, NEW MEXICO

_____
Dennis J. Kintigh, Mayor

ATTEST:

_____
Sharon Coll, City Clerk

TENANT:
WALKER AVIATION MUSEUM FOUNDATION

_____
Robert Pottle, President

LEASE AGREEMENT

THIS LEASE executed in Roswell, New Mexico on this 9th day of April, 2015 by and between the CITY OF ROSWELL, NEW MEXICO, a municipal corporation, hereinafter designated "Landlord", and Fuego Wireless LLC., a New Mexico limited liability company, hereinafter designated as "Tenant".

WHEREAS Landlord has agreed to lease to Tenant the real property described below, together with the improvements thereon, in Chaves County New Mexico, and Tenant has agreed to lease said real property and improvements from Landlord;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. GRANTING CLAUSE AND PREMISES. For the term, at the rent and otherwise upon the terms, provisions and conditions contained herein, Landlord hereby lets and leases unto Tenant the surface only to the following real property, together with all improvements located thereon:

A portion of two water tower legs and grounds at 91 Earl Cummings Loop East, located at the Roswell International Air Center, identified on a plat attached hereto and made a part hereof, identified and listed as Exhibit "A" (Premises).

2. TERM. The Lease term is for five (5) years, commencing on May 1, 2015 and ending April 30, 2020 unless sooner terminated by provision hereof.

3. RENT. Tenant agrees to pay to Landlord as rent the sum of Twenty Four Thousand, ($24,000.00) the first year of the lease, payable in 12 monthly installments of $2,000.00. Thereafter rent will be adjusted each year by CPI or3% whichever is greater, but not greater than 5%. Rent and other fees are due on the first day of each month. If Tenant fails to pay all rent and other fees due for any month by the tenth calendar day of the month that said rent and fees are due, Tenant shall pay to Landlord an additional 2% finance charge, as a penalty, each month until the full amount of that month's rent is paid. This penalty shall be immediately payable without limiting Landlord in the exercise of any other right or remedy to which it may be entitled by reason of Tenant's failure to pay rent when due. All rent shall be paid to Landlord without abatement, reduction or set off of any kind except as herein specifically provided.

4. SECURITY DEPOSIT. Tenant shall pay in advance $2,000.00 as security for Tenant's full and faithful performance of all terms of this lease. This amount shall be used by Landlord at the termination of this Lease Agreement toward **a.** payment for rent or penalties due Landlord, **b.** reimbursement of the costs of cleaning and repairing damages (beyond normal wear and tear) to the Premises caused by Tenant, and **c.** the cost of removal of any hazardous material not properly disposed of by Tenant. Landlord shall be the sole and reasonable judge of all cleaning and repairs required for the Premises and the amounts needed for these purposes. Upon termination or expiration of this Lease the security deposit shall first be applied to necessary cleaning and removal, repairs and the remaining balance, if any, may then be applied to rentals and penalties then owing to Landlord. Any refund of the security deposit due Tenant will be delivered or mailed in accordance with Paragraph 26 of this Agreement within 60 days after the termination of this Lease Agreement.

5. CONDITION OF PREMISES. Tenant has inspected Premises and accepts the Premises in its present condition "as is". Tenant acknowledges that any requirements for accessibility and/or public

9

LEASE AGREEMENT

THIS LEASE executed in Roswell, New Mexico on this 9th day of April, 2015 by and between the CITY OF ROSWELL, NEW MEXICO, a municipal corporation, hereinafter "Landlord", and OLD DOG BROTHERHOOD, Roswell Chapter, hereinafter "Tenant".

WHEREAS Landlord has agreed to lease to Tenant the real property described below, together with the improvements thereon, in Chaves County New Mexico, and Tenant has agreed to lease said real property and improvements from Landlord;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. GRANTING CLAUSE AND PREMISES. For the term, at the rent and otherwise upon the terms, provisions and conditions contained herein, Landlord hereby lets and leases unto Tenant the surface only to the following real property, together with all improvements located thereon:

Building No. 734 consisting of 2,484 square feet, more or less, located at the Roswell International Air Center, identified on a plat attached hereto and made a part hereof, identified and listed as Exhibit "A" (Premises).

2. TERM. The Lease term is for one (1) year, commencing on May 1, 2015 and ending April 30, 2016 unless sooner terminated by provision hereof.

3. RENT. Tenant agrees to pay to Landlord as rent the sum of One Thousand, Three Hundred Ninety Two Dollars and No Cents ($1,392.00), payable in 12 monthly installments of $116.00. Rent and other fees are due on the first day of each month. If Tenant fails to pay all rent and other fees due for any month by the tenth calendar day of the month that said rent and fees are due, Tenant shall pay to Landlord an additional 2% finance charge, as a penalty, each month until the full amount of that month's rent is paid. This penalty shall be immediately payable without limiting Landlord in the exercise of any other right or remedy to which it may be entitled by reason of Tenant's failure to pay rent when due. All rent shall be paid to Landlord without abatement, reduction or set off of any kind except as herein specifically provided.

4. SECURITY DEPOSIT. Tenant has paid $100.00 in advance as security for Tenant's full and faithful performance of all terms of this lease. This amount shall be used by Landlord at the termination of this Lease Agreement toward **a.** payment for rent or penalties due Landlord, **b.** reimbursement of the costs of cleaning and repairing damages (beyond normal wear and tear) to the Premises and **c.** the cost of removal of any hazardous material not properly disposed of by Tenant. Landlord shall be the sole and reasonable judge of all cleaning and repairs required for the Premises and the amounts needed for these purposes. Upon termination or expiration of this Lease the security deposit shall first be applied to necessary cleaning and removal, repairs and the remaining balance, if any, may then be applied to rentals and penalties then owing to Landlord. Any refund of the security deposit due Tenant will be delivered or mailed in accordance with Paragraph 26 of this Agreement within 60 days after the termination of this Lease Agreement.

5. CONDITION OF PREMISES. Tenant has inspected Premises and accepts the Premises in its present condition "as is". Tenant acknowledges that any requirements for accessibility and/or public accommodation(s) are Tenant's responsibility. Tenant agrees that the Premises is in good repair and condition except as noted herein. Tenant agrees that, at the expiration of the term hereof, it shall yield up and deliver the Premises to

LEASE AGREEMENT

THIS LEASE executed in Roswell, New Mexico on this 9th day of April, 2015 by and between the CITY OF ROSWELL, NEW MEXICO, a municipal corporation, hereinafter designated "Landlord", and ASSOCIATED RECORDS, INC. hereinafter designated as "Tenant".

WHEREAS Landlord has agreed to lease to Tenant the real property described below, together with the improvements thereon, in Chaves County New Mexico, and Tenant has agreed to lease said real property and improvements from Landlord;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. GRANTING CLAUSE AND PREMISES. For the term, at the rent and otherwise upon the terms, provisions and conditions contained herein, Landlord hereby lets and leases unto Tenant the surface only to the following real property, together with all improvements located thereon:

Building No. 250 consisting of 20,000 square feet, more or less, grounds and dock areas located at the Roswell International Air Center, identified on a plat attached hereto and made a part hereof, identified and listed as Exhibit "A" (Premises).

2. TERM. The Lease term is for five (5) years, commencing on May 1, 2015 and ending April 30, 2020 unless sooner terminated by provision hereof.

3. RENT. Tenant agrees to pay to Landlord as rent the sum of Thirty Five Thousand, Three Hundred Seventy Six Dollars and No Cents ($35,376.00), payable in 12 monthly installments of $2,948.00 the first year of the lease. Thereafter rent shall increase each year by CPI-U or 3.0%, whichever is greater. Rent and other fees are due on the first day of each month. If Tenant fails to pay all rent and other fees due for any month by the tenth calendar day of the month that said rent and fees are due, Tenant shall pay to Landlord an additional 2% finance charge, as a penalty, each month until the full amount of that month's rent is paid. This penalty shall be immediately payable without limiting Landlord in the exercise of any other right or remedy to which it may be entitled by reason of Tenant's failure to pay rent when due. All rent shall be paid to Landlord without abatement, reduction or set off of any kind except as herein specifically provided.

4. SECURITY DEPOSIT. Tenant has paid $2,083.00 in advance as security for Tenant's full and faithful performance of all terms of this lease. This amount shall be used by Landlord at the termination of this Lease Agreement toward **a.** payment for rent or penalties due Landlord, **b.** reimbursement of the costs of cleaning and repairing damages (beyond normal wear and tear) to the Premises and **c.** the cost of removal of any hazardous material not properly disposed of by Tenant. Landlord shall be the sole and reasonable judge of all cleaning and repairs required for the Premises and the amounts needed for these purposes. Upon termination or expiration of this Lease the security deposit shall first be applied to necessary cleaning and removal, repairs and the remaining balance, if any, may then be applied to rentals and penalties then owing to Landlord. Any refund of the security deposit due Tenant will be delivered or mailed in accordance with Paragraph 26 of this Agreement within 60 days after the termination of this Lease Agreement.

5. CONDITION OF PREMISES. Tenant has inspected Premises and accepts the Premises in its present condition "as is". Tenant acknowledges that any requirements for accessibility and/or public accommodation(s) are Tenant's responsibility. Tenant agrees that the Premises is in good repair and condition. Tenant agrees

LEASE AGREEMENT

THIS LEASE executed in Roswell, New Mexico on this 9th day of April, 2015 by and between the CITY OF ROSWELL, NEW MEXICO, a municipal corporation, hereinafter "Landlord", and CLIFF WAIDE, an individual, hereinafter "Tenant".

WHEREAS Landlord has agreed to lease to Tenant the real property described below, together with the improvements thereon, in Chaves County New Mexico, and Tenant has agreed to lease said real property and improvements from Landlord;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. GRANTING CLAUSE AND PREMISES. For the term, at the rent and otherwise upon the terms, provisions and conditions contained herein, Landlord hereby lets and leases unto Tenant the surface only to the following real property, together with all improvements located thereon:

Building No. 120 space 4 consisting of 1175 square feet, more or less, located at the Roswell International Air Center, identified on a plat attached hereto and made a part hereof, identified and listed as Exhibit "A" (Premises).

2. TERM. The Lease term is for one (1) year, commencing on May 1, 2015 and ending April 30, 2016 unless sooner terminated by provision hereof.

3. RENT. Tenant agrees to pay to Landlord as rent the sum of Two Thousand, One Hundred Dollars and No Cents ($2,100.00), payable in 12 monthly installments of $175.00. Rent and other fees are due on the first day of each month. If Tenant fails to pay all rent and other fees due for any month by the tenth calendar day of the month that said rent and fees are due, Tenant shall pay to Landlord an additional 2% finance charge, as a penalty, each month until the full amount of that month's rent is paid. This penalty shall be immediately payable without limiting Landlord in the exercise of any other right or remedy to which it may be entitled by reason of Tenant's failure to pay rent when due. All rent shall be paid to Landlord without abatement, reduction or set off of any kind except as herein specifically provided.

4. SECURITY DEPOSIT. Tenant has paid $164.00 in advance as security for Tenant's full and faithful performance of all terms of this lease. This amount shall be used by Landlord at the termination of this Lease Agreement toward **a.** payment for rent or penalties due Landlord, **b.** reimbursement of the costs of cleaning and repairing damages (beyond normal wear and tear) to the Premises and **c.** the cost of removal of any hazardous material not properly disposed of by Tenant. Landlord shall be the sole and reasonable judge of all cleaning and repairs required for the Premises and the amounts needed for these purposes. Upon termination or expiration of this Lease the security deposit shall first be applied to necessary cleaning and removal, repairs and the remaining balance, if any, may then be applied to rentals and penalties then owing to Landlord. Any refund of the security deposit due Tenant will be delivered or mailed in accordance with Paragraph 26 of this Agreement within 60 days after the termination of this Lease Agreement.

5. CONDITION OF PREMISES. Tenant has inspected Premises and accepts the Premises in its present condition "as is". Tenant acknowledges that any requirements for accessibility and/or public accommodation(s) are Tenant's responsibility. Tenant agrees that the Premises is in good repair and condition except as noted herein. Tenant agrees that, at the expiration of the term hereof, it shall yield up and deliver the Premises to

FOURTH ADDENDUM
TO LEASE AGREEMENT

THE CITY OF ROSWELL, NEW MEXICO, a municipal corporation, hereinafter "Landlord" and BIRDMAN AIR ENTERPRISES, INC., hereinafter "Tenant" hereby agree to the following amendment to that certain Lease Agreement dated July 12, 2012.

Effective with Council approval April 9, 2015:

Tenant's leasehold is increased by 1,750 square feet (50'x 35') in Building No. 1770 effective May 1, 2015. Rent is increased by $140.00 per month effective for the May 2015 billing cycle.

Except as amended herein, the original Lease and Addenda shall continue without change, and in full force and effect as originally executed.

IN WITNESS WHEREOF, this FOURTH Addendum to Lease Agreement is done and executed in Roswell, New Mexico this_____day of April, 2015.

CITY SEAL

LANDLORD:
CITY OF ROSWELL, NEW MEXICO

_____
Dennis J. Kintigh, Mayor

_____
Sharon Coll
City Clerk

TENANT:
BIRDMAN AIR ENTERPRISES, INC.

_____
Stephen M. Birdman, President