CLARK COUNTY
DEPARTMENT OF AVIATION
GENERAL AVIATION OPERATING PERMIT
NORTH LAS VEGAS AIRPORT

THIS GENERAL AVIATION OPERATING PERMIT, hereinafter "Permit," is granted by Clark County, hereinafter "County, in accordance with Clark County Ordinance 20.04.040 to AIR COMBAT, U.S.A., hereinafter "Permittee," on this ___ day of ____________, 2009, to grant operational rights and privileges at North Las Vegas Airport, hereinafter "Airport," predicated upon Permittee’s acceptance and compliance with the following terms and conditions.

1. **TERM.** The term of this Permit shall be on a month-to-month basis, commencing on April 1, 2009 and will continue for a period not to exceed three (3) years. This Permit may be terminated by either party at any time upon thirty (30) days advance written notice.

2. **USE.** Upon performance of the agreements, provisions, and conditions contained in this Permit, Permittee will have the privilege to use the designated areas of the Airport, as assigned by the Director of Aviation or designee, for the purpose of providing aerobatic flight rides in accordance with FAR Part 91 and for no other purposes except as may be approved in advance, in writing, by the Director of Aviation or designee.

Permittee agrees to comply with the performance measures, as further outlined in Exhibit "A," attached hereto and by reference made a part hereof, and as may be further identified by Director of Aviation or designee and mutually agreed to by both parties. Permittee agrees to track its performance and make such reports as Director of Aviation or designee may request from time to time.

Permittee hereby acknowledges and agrees that it shall provide sufficient, qualified personnel to meet the needs of the Department of Aviation customers to efficiently deliver the services outlined in this Section and to represent the highest level of customer service at the Airport. Such scheduling shall be made to ensure the operational needs of the Airport, as determined by the Director of Aviation or designee, are met during all operational hours, including, but not limited to, peak operating hours and/or local special events.

Permittee acknowledges and hereby agrees that Permittee shall not perform aircraft maintenance at the Airport or within the Assigned Areas, either major or minor maintenance or repairs, unless Permittee has obtained prior written approval by the Director of Aviation or designee for such activities.

3. **ASSIGNED AREAS.** No Assigned Areas have been assigned by the Director of Aviation or designee to the Permittee under this Permit.

4. **USE OF RAMP AREAS.** Permittee acknowledges that the Director of Aviation or designee will assign the use of the ramp areas and that such assignments will be determined at the sole discretion of the Director of Aviation or designee. It is
acknowledged by the County that the Permittee may use certain vehicles and equipment in the operation of its business pursuant to this Permit. The use and movement of these vehicles and equipment in, on, and about the ramp areas and any other areas of the Airport covered by the terms of this Permit will be accomplished by Permittee, its employees, invitees, officers, agents, representatives, contractors, subcontractors, suppliers, and/or sublessees in accordance with the responsible safety and traffic practices and in accordance with General Aviation Airports Rules and Regulations and Operating Directives as well as any procedures established by the County or any other governmental agency. When not in use, the vehicles and other equipment will be parked within the assigned areas or other area as specifically instructed by Airport Manager. Permittee will provide the Director of Aviation or designee with a current list of its owned or leased automotive equipment to be utilized under this Permit.

5. **RENTALS AND FEES.** Permittee will pay to the County the following rentals and fees:

5.1 **Gross Revenues:** Permittee will pay to County the current rate of two percent (2%) of the Gross Revenues derived from all activities and related services provided at the Airport. Said sums are to be paid within fifteen (15) days following the end of the preceding month for which the services were provided.

5.1.1 Gross Revenues shall mean the aggregate amount of the revenue received by Permittee through its operations at the Airport whether or not such sales are paid to Permittee by cash or credit. Permittee will have the right to conduct part of its operation on a credit basis, provided, however, the attendant risk of such operation be borne solely by Permittee. Permittee, for the purpose of this Permit, will report all income, both cash and credit, whether collected or uncollected, in its monthly Gross Revenues statements on the calculation of the percentages due to County thereon. The term shall not include any sales tax or excise tax stated separately and collected from the customer for remittance to the taxing authority, or any other charges on a reimbursable basis as mutually agreed by the Director of Aviation or designee and the Permittee.

5.2 **Conference Room Facilities:** Permittee shall pay for its use of the Airport conference room at the current rate of Sixty and 00/100 ($60.00) Dollars per day.

5.3 **Aircraft Wash Rack:** Permittee shall pay for its use of the aircraft wash rack on a “per use” basis at the current rates in effect at the time of use.

5.4 **Aircraft Tie-Down Fees - North Las Vegas Airport:** It is understood and agreed that the use of any aircraft tie-down positions will be assigned by the Director of Aviation or designee, at its sole discretion, for the best use of the aircraft ramp area. County will invoice Company monthly for its assigned tie-down positions based on the current rates in effect at the time for each aircraft type.
6. **REDETERMINATION OR RENTALS AND FEES.** County retains the right to redetermine the rentals and fees paid by Permittee, from time to time, subject to thirty (30) days prior written notice to Permittee from the Director of Aviation or designee. Due to the fact that similarly situated tenants have different anniversary or other rental adjustment dates, County does not warrant that the rentals and fees will be exactly the same at all times for similarly situated tenants. At no time during the term of this Agreement, will the adjusted rents and fees exceed the allowable rents and fees charged to other similarly situated tenants. If Permittee does not agree with such redetermined rentals and fees, it has the right to cancel this Permit.

7. **METHOD OF PAYMENT AND REPORTS.** Permittee will make all payments by check, made payable to Clark County Department of Aviation, and deliver or mail said payments to the Clark County Department of Aviation, Airport Manager, North Las Vegas Airport, 2730 Airport Drive, North Las Vegas, NV, 89032, or to such other place as County may direct Permittee in writing.

On or before the 15th of each month, Permittee will submit an activity report to the County for its activities, at the Airport for the preceding month’s activities on forms acceptable to County, together with a check in payment for Permittee’s operations in accordance with Section 5 above. Such statements will be certified by an officer of Permittee as being correct and true. The statements will include a calculation of the percentage of Gross Revenues, total per customer’s usage fees, and the amount due to County.

Within ninety (90) days after the annual contract date during the term of this Permit and within ninety (90) days after the expiration of the term of this Permit, Permittee will provide County with a detailed statement of Gross Revenues for the previous year’s business operations prepared in accordance with generally accepted accounting principles. Such statements are to be prepared by an independent Certified Public Accountant or the Permittee’s chief financial officer, at the sole discretion of the Director of Aviation or designee, and will include the written opinion of the Certified Public Accountant as to whether these Gross Revenues and monthly payments have been made in accordance with the provisions of this Permit. Should such statements show that the amount paid during the period of review was less than that which was due, Permittee will immediately remit the additional amount to County. Should such statement show that Permittee paid County more than was due, after review and verification by the Director of Aviation or designee, a credit memo will be issued to be applied against future additional rental fees, except that if such should be the case at the end of the last month of this Permit, County will refund the overpayment to Permittee.

8. **LATE FEE.** Any payment due by Permittee to the County that is not received within thirty (30) days after the due date will accrue interest at the interest rate of twelve percent (12%) per annum from the due date until paid in full.

9. **LETTER OF CREDIT.** Permittee agrees to provide to County, an irrevocable Letter of Credit or other form of security acceptable to County, in the amount of **Three Hundred and 00/100 ($300.00) Dollars** which is equal to the highest three (3) months total.
estimated rentals, fees and charges outlined in Section 5 above, owed to the County as determined at the Director of Aviation or designee's sole discretion, including, but not limited to, percentage of Gross Revenues, fees and charges, and rentals, due to County for all of Permittee's customers activities, combined. Such Letter of Credit will be in the form of an irrevocable Letter of Credit in a format that is acceptable to the Director of Aviation or designee.

County retains the right to redetermine the amount of the Letter of Credit from time to time.

In the event Permittee fails to make payments in accordance with the requirements of this Permit, the County has the right to apply the above-referenced Letter of Credit as may be necessary or to exercise any other legal remedies to which it may be entitled.

10. RECORDS AND AUDIT. Permittee shall maintain accurate and complete financial books, records, accounts, and data of all Permittee's activities pursuant to this Permit and shall keep them available at any time at their principle place of business within Clark County, Nevada, or another location as approved in writing by the Director of Aviation or designee, Monday through Friday, 9:00 a.m. to 5:00 p.m., for the inspection by the Director of Aviation or designee, or such agents, employees, accountants, or auditors as the Director of Aviation or designee may designate.

10.1 In the event that such books, records, accounts, and data are not maintained at Permittee's principal place of business within Clark County, Nevada, as stated herein, the Permittee shall be responsible for the transportation and delivery, including any associated costs, of any records requested for inspection to and from a location designated by the Director of Aviation or designee.

10.2 If Permittee fails to produce such records in Clark County, Nevada, County may at Permittee's expense send its agents, employees, accountants, or auditors to conduct such inspection. Permittee shall reimburse the County for all travel expenses incurred by County to perform the inspection of such records as may be required under this Permit.

10.3 Such books, records, accounts, and data shall be maintained in such a way that they are readily auditable, be consistent with Generally Accepted Accounting Principles, and conform to all applicable laws. Such financial records and reports will be kept for a period of five (5) years from the end of the Permittee's fiscal year (or longer if required by law) or until the final disposition of any claims or litigation arising out of the performance of this Permit, whichever is longer.

10.4 County reserves the right to require Permittee to implement and maintain an effective internal control system which assures the proper recording and reporting of Gross Revenues and the associated rental fees. Permittee may be required, at County's discretion, to show documentation of its internal control system to Director of Aviation or designee for approval prior to commencing operations or in conjunction with any audit, examination, or review as described in Section 10.
10.5 The Director of Aviation or designee will at any time have the right to cause an audit, examination, or review of the Permittee’s business records and activities pursuant to this Permit to be made by the Director of Aviation or designee, or such agents, employees, accountants, or auditors as the Director of Aviation or designee may designate.

10.5.1 Permittee shall retrieve and provide all books, records, accounts, and data within five (5) business days of any request made by Director of Aviation or designee, or such agents, employees, accountants, or auditors as the Director of Aviation or designee may designate.

10.5.2 Permittee shall provide responses to any inquiries and/or findings within ten (10) business days of such request throughout the course of such audit, examination, or review.

10.5.3 If Permittee fails to respond and or provide requested information within the required time frame, it shall be considered in default of this Permit. County, as a cumulative remedy, may cancel this Permit under the terms of Section 1 entitled, TERM.

10.5.4 The Permittee agrees to provide appropriate work space and access to copiers, fax machines and other office equipment needed in conjunction with such audit, examination, or review without charge to the County.

10.5.5 If as a result of such audit, examination, or review it is determined that the Permittee’s Gross Revenues previously reported to County by Permittee are found to be understated in any respect all associated fees and accrued interest will become due immediately and the Permittee will remit any additional payments to the County.

10.5.6 Additionally, if the Permittee’s Gross Revenues previously reported to County by Permittee are found to be intentionally understated in any respect, or to be understated (either intentionally or unintentionally) by a greater margin than one percent (1%) of Permittee’s Gross Revenue for the period under review, the Permittee will immediately pay to County the costs associated with such audit, examination, or review, otherwise the cost of such audit will be paid by County.

10.5.7 If such audit, examination, or review discloses any willful or intentional inaccuracies, this Permit, at the option of the Director of Aviation or designee and as a cumulative remedy, may be thereupon canceled or terminated.

11. **TAXES, LICENSES, PERMITS.** Permittee will promptly pay all taxes, excises, license fees and permit fees of whatever nature applicable to its operation and lease of Assigned
Areas hereunder. Permittee may elect, however, at its own costs and expense, to contest any such tax, excise, levy, or assessment. Permittee will keep current municipal, state, or federal licenses or permits required for the conduct of its business.

12. **WIRELESS APPLICATIONS AND SIMILAR TECHNOLOGIES.** Permittee shall not install, deploy, or otherwise engage in the use of any transmitting wireless device, applications, and/or technologies on its Assigned Areas, any portion of the Airport or within the Airport System (regardless of any Exclusive Use, Preferential Use, and/or Joint Use assignments) without first having obtained the express written permission of the Director of Aviation or designee. Such wireless applications shall only be for Permittee’s operational use. At the request of the Director of Aviation or designee, Permittee will cease operation of a particular device due to interference with another transmitting device that is deemed necessary for operational and/or life-safety purposes. County reserves the right to impose a fee for the use of such wireless equipment and/or charge for any space required for the installation of such equipment, as additional rentals payable under this Permit, for the use of such area. Permittee shall not have any right to install any type of wireless device, application, and/or technology at the Airport for commercial and/or revenue generating purposes.

13. **LIENS.** Permittee shall take or cause to be taken all steps that are required or permitted by law in order to avoid the imposition of any lien upon the Assigned Areas or any improvements thereon.

Should Permittee cause any improvements to the Assigned Areas, Permittee shall cause any contract with any contractor, designer, or other person providing work, labor, or materials to the Assigned Areas to include the following clause:

“Contractor agrees on behalf of itself, its subcontractors, suppliers, and consultants and their employees, that there is no legal right to file a lien upon County-owned property, and will not file a mechanic’s lien or otherwise assert any claim against County on account of any work done, labor performed or materials furnished under this contract. Contractor agrees to indemnify, defend and hold County harmless from any liens filed upon the County’s property and shall promptly take all necessary legal action to ensure the removal of any such lien at Contractor’s sole cost.”

However, should any lien be placed on the Assigned Areas or any improvements thereon, Permittee will cause to be removed any and all liens of any nature including, but not limited to, tax liens and liens arising out of or because of any construction or installation performed by or on behalf of Permittee or any of its contractors or subcontractors upon Permittee’s Assigned Areas or arising out of or because of the performance of any work or labor to it or them at said Assigned Areas or the furnishing of any materials to it or them for use at said Assigned Areas. Should any such lien be made or filed, Permittee will bond against or discharge the same within thirty (30) days after written request by Director of Aviation or designee.
14. **SUBLEASE AND ASSIGNMENT.** This Permit and any rights granted hereunder cannot be transferred or assigned to any other party.

15. **INDEMNIFICATION.** Permittee agrees to indemnify, defend and hold the County forever harmless from and against all liability, loss, demand, or other expense, including, but not limited to, defense costs, expenses and reasonable attorney fees, imposed upon the County by reason of injuries or death of persons, including wrongful death, and damages to property alleged to be caused during or because of Permittee's use or occupancy of Airport property, or any actions or nonactions of Permittee, its employees, invitees, officers, agents, representatives, contractors, subcontractors, suppliers, and/or sublessees, provided however, that such indemnity will not apply as to any negligent act or omission solely that of County, its employees, agents, or representatives. These duties shall apply whether or not the allegations are found to be true.

16. **INSURANCE REQUIREMENTS.**

16.1 Permittee agrees to furnish and maintain satisfactory evidence of insurance as required herein or as may be required by the Department of Aviation prior to commencement of any permitted operation at the Airport.

16.1.1 Aircraft Liability Insurance and Comprehensive Commercial Aviation General Liability Insurance, including products liability, for claims of property damage, personal injury, bodily injury or death allegedly resulting from Permittee's activities on the Airport in an amount not less that One Million ($1,000,000.00) Dollars per occurrence, combined single limit, minimum aggregate, if any, of Two Million ($2,000,000.00) Dollars.

16.2 Clark County, its officers, employees, and volunteers shall be named as an additional insured with respect to liability arising out of the activities by or on behalf of the named insured. Copies of such certificates are to be provided to the Director of Aviation or designee.

16.3 Each insurance policy supplied by Permittee must be endorsed to provide that the coverage will not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the Director of Aviation. This notice does not waive the insurance requirements contained herein.

16.4 Best Key Rating: The rating of the insurance operator's financial strength shall be "A-VIII" or stronger, as published in the latest Best's Key Rating Guide, and shall be fully disclosed within the certificates of insurance.

17. **GENERAL AVIATION AIRPORTS RULES AND REGULATIONS.** Permittee hereby agrees to be bound in the operation of its service at the Airport by all General Aviation Airports Rules and Regulations, Airport Tenant Improvement Manual, Operating Directives, Airport Environmental Compliance Handbook, Airport Security Program,
Nevada Revised Statutes, County Ordinances or other such governmental regulations, whether municipal, state, or federal, including, but not limited to, all environmental laws, and will immediately, upon request, verify compliance to any such requirement. Permittee must adhere to the General Aviation Airports Rules and Regulations and Operating Directives, as may be amended from time to time. Permittee agrees to be subject to any fines and/or administrative assessment or penalties resulting from violations of any Rules and Regulations and Operating Directives. Permittee will keep current municipal, state, or federal licenses or permits required for the conduct of its business, if any.

18. **STANDARDS OF OPERATION.** Permittee will, in and about the Assigned Areas and elsewhere upon the Airport, exercise reasonable control over the conduct, demeanor and appearance of its employees, invitees, agents, representatives, contractors, subcontractors and suppliers, and their conduct shall be in an orderly and proper manner so as not to annoy, disturb or be offensive to others. All employees of the Permittee must conduct themselves at all times in a courteous manner toward the public and at all times act in accordance with the General Aviation Airports Rules and Regulations and Operating Directives, as may be amended from time to time. Upon objection from Director of Aviation or designee to Permittee concerning the conduct, demeanor or appearance of such persons, Permittee will, within a reasonable time, remedy the cause of the objection.

19. **USE OF EQUIPMENT.** All equipment to be used in the operation of Permittee’s business at the Airport will be in excellent, safe running condition and will be kept in a neat and clean manner at all times. All equipment will be operated by Permittee and its employees, agents and/or representative in a safe and orderly manner at all times. Upon objection from the Director of Aviation or designee to Permittee concerning the operation of such equipment or the unsafe and unclean condition of the equipment, Permittee will immediately remedy the cause of the objection.

20. **SIGNAGE AND ADVERTISING.** Permittee will not erect, install, operate, or cause or permit to be erected, installed or operated in or upon the Airport, except as provided below, any signs or similar advertising devices for its own business. County reserves all rights to establish any advertising signs located on the Assigned Areas or Airport property.

Any identifying signs attached to the Assigned Areas will require the prior written approval of the Director of Aviation or designee. Such written consent may consider factors including, but not limited to, size, type, content, and method of installation.

Permittee will not commission, install, or display any third party advertising without the written approval of the Director of Aviation or designee. Such advertising shall be subject to standard airport advertising fee schedule and shall be in conformance with the Airport Advertising Policy.

Permittee will not commission, install, or display any work of art without the prior written approval of the Director of Aviation or designee and without a full written waiver

The parties acknowledge and agree that County retains all rights to billboard sign sites, which may presently, or in the future, exist upon Assigned Areas.

21. **AIRPORT SECURITY PROGRAM.** Permitee covenants that it will at all times maintain the integrity of the Airport’s Security Program as applicable and that it will always maintain the security of the Airport and/or any airfield access, which Permittee maintains. Permittee also hereby agrees that it shall also be responsible for any and all of the actions of its employees, invitees, officers, agents, representatives, contractors, subcontractors, suppliers, and/or sublessees and shall provide any and all necessary escorts, as outlined in the Airport’s Security Program, at all times.

Should Permittee, its employees, invitees, officers, agents, representatives, contractors, subcontractors, suppliers, and/or sublessees cause any security violation, and should County be cited for a civil penalty for such security violation, Permittee agrees to reimburse County for any monetary civil penalty which may be imposed by the Transportation Security Administration (TSA) or other government agency. Permittee will have access privileges immediately suspended and/or revoked by the Director of Aviation or designee for failure to adhere to the Airport’s Security Program or for failure to return all badges and/or gate cards within twenty-four hours or the next business day. Such actions may also result in the immediate termination of this Permit, at the sole discretion of the County.

Permittee also hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, Federal Aviation Administration (FAA), Airport, or other government agency.

22. **BADGING.** All personnel requiring access to the Airport will be required to obtain an approved gate access card, which shall be issued at the sole discretion of the Airport Manager or designee and in accordance with General Aviation Airports Rules and Regulations and/or Operating Directives. Permittee covenants that it will at all times maintain the integrity of the Airport’s Security and the Card Access System. Permittee covenants that it will always maintain the security of any airfield access which Permittee maintains. Should Permittee allow unauthorized access to the Airport, and should County be cited for a civil penalty, Permittee agrees to reimburse County for any monetary civil penalty which may be imposed by an appropriate agency.

23. **ENVIRONMENTAL COMPLIANCE.** Permittee hereby agrees to be bound in the operation of its service at the Airport by all General Aviation Airport Rules and Regulations, Operating Directives, Airport Environmental Compliance Handbook, Airport Tenant Improvement Manual, Nevada Revised Statutes, County Ordinances or other such governmental regulations, whether municipal, state, or federal, including, but not limited to, those that deal with hazardous material and/or the regulation of protection of the environment, including the ambient air, ground water, surface water, and land use,
including sub strata land. Permittee will immediately, upon request, verify compliance to any such requirement, which may be amended or otherwise modified from time to time.

Permittee will not cause or permit any hazardous material to be used, generated, manufactured, produced, stored, brought upon, or released on, under or about the Assigned Areas, or transported to and from the Assigned Areas, by Permittee, its sublessees, their agents, employees, contractors, subcontractors, invitees or a third party in violation of any environmental rules, regulations, ordinances, or laws.

If the presence of any hazardous material on, under or about the Assigned Areas caused or permitted by Permittee results in any contamination of the Assigned Areas, Permittee will promptly take all actions, at its sole cost and expense, as are necessary to return the Assigned Areas to the condition existing prior to the introduction of any such hazardous material to the Assigned Areas. Permittee will take all steps necessary to remedy and remove any such hazardous materials and special wastes and any other environmental contamination as is presently or subsequently discovered on or under the Assigned Areas as are necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Assigned Areas into compliance with all environmental requirements. Such procedures are subject to:

23.1 Prior approval of Director of Aviation or designee, which approval will not be unreasonably withheld. Permittee will submit to Director of Aviation or designee, a written plan for completing all remediation work. Director of Aviation or designee retains the right to review and inspect all such work at any time using consultants and/or representatives of his/her choice.

23.2 Such actions of remediation by Permittee will not potentially have any material adverse long term effect on the Assigned Areas in the sole judgment of Director of Aviation or designee.

24. ENVIRONMENTAL POLICY.

24.1 VIOLATION OF ENVIRONMENTAL LAWS

Permittee will not cause or permit any hazardous material to be used, generated, manufactured, produced, stored, brought upon, or released on, under or about the Assigned Areas, or transported to and from the Assigned Areas, by Permittee, its sublessees, their agents, employees, contractors, subcontractors, invitees or a third party in violation of the Environmental Laws, as defined herein, or the Airport Environmental Directive as it now exists or as may be modified from time to time.

24.1.1 Director of Aviation or designee will have access to the Assigned Areas to inspect same to insure that Permittee is using the Assigned Areas in accordance with environmental requirements.

24.1.2 Upon request of Director of Aviation or designee, Permittee will conduct such testing and analysis as necessary to ascertain whether Permittee is
using the Assigned Areas in compliance with environmental requirements. Any such tests will be conducted by qualified independent experts chosen by Permittee and subject to Director of Aviation or designee’s reasonable approval. Copies of such reports from any such testing will be provided to Director of Aviation or designee.

24.1.3 Permittee will provide copies of all notices, reports, claims, demands, or actions concerning any environmental concern or release or threatened release of hazardous materials or special wastes to the environment.

24.2 CONTAMINATION OF ASSIGNED AREAS

If the presence of any hazardous material on, under, or about the Assigned Areas caused or permitted by Permittee results in any contamination of the Assigned Areas, Permittee will promptly take any and all actions, at its sole cost and expense, as are necessary to return the Assigned Areas to the condition existing prior to the introduction of any such hazardous material to the Assigned Areas. Permittee will take any and all steps necessary to remedy and remove any such hazardous materials and special wastes and any other environmental contamination as is presently or subsequently discovered on or under the Assigned Areas as are necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Assigned Areas into compliance with all environmental requirements. Such procedures are subject to:

24.2.1 Prior approval of Director of Aviation or designee, which approval will not be unreasonably withheld. Permittee will submit to Director of Aviation or designee a written plan for completing all remediation work. Director of Aviation or designee retains the right to review and inspect all such work at any time using consultants and/or representatives of his/her choice.

24.2.2 Such actions of remediation by Permittee will not potentially have any material adverse long term effect on the Assigned Areas in the sole judgment of Director of Aviation or designee.

24.3 COMPLIANCE WITH ALL GOVERNMENTAL AUTHORITIES

Permittee will promptly make all submission to, provide all information to, and comply with all requirements of the appropriate governmental authority under all Environmental Laws, as defined herein, or the Airport Environmental Directive as it now exists or as may be modified from time to time.

24.3.1 Should the Government determine that a site characterization, site assessment, and/or cleanup plan be prepared or that a cleanup should be undertaken because of any spills or discharges of hazardous materials at the Assigned Areas which occur during the term of this Permit then Permittee shall (at its own expense) prepare and submit required plans and financial assurances, and carry out the approved plans. At no cost or
expense to County, Permittee will promptly provide all information requested by Director of Aviation or designee to determine the applicability of the Environmental Laws to the Assigned Areas, or to respond to any governmental investigation or to respond to any claim of liability by third parties which is related to environmental contamination.

24.3.2 Permittee’s obligations and liabilities under this provision will continue so long as County bears any responsibility under the Environmental Laws for any action that occurred on the Assigned Areas during the term of this Permit.

24.3.3 This indemnification of County by Permittee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state, or local governmental agency or political subdivision because of hazardous material located on the Assigned Areas or present in the soil or ground water on, under or about the Assigned Areas.

24.3.4 The parties agree that County’s right to enforce Permittee’s promise to indemnify is not an adequate remedy at law for Permittee’s violation of any provision of this Permit. County will also have the rights set forth in Section 22.4, entitled COUNTY’S TERMINATION RIGHTS FOR VIOLATION OF ENVIRONMENTAL LAWS, of this Permit in addition to all other rights and remedies provided by law or otherwise provided in this Permit.

24.4 COUNTY’S TERMINATION RIGHTS FOR VIOLATION OF ENVIRONMENTAL LAWS

24.4.1 Permittee’s failure or its sublessees, their agents, employees, contractors, subcontractors, invitees or the failure of a third party to comply with any of the requirements and obligations of this Permit or applicable Environmental Laws will constitute a material default of this Permit and will permit County to pursue the following remedies, in addition to all other rights and remedies provided by law or otherwise provided in this Permit, to which County may resort cumulatively, or singularly, in the alternative.

24.4.2 County may, at County’s election, keep this Permit in effect and enforce all of its rights and remedies under this Permit, including (i) the right to recover rent and other sums as they become due by the appropriate legal action and/or (ii) the right, upon ten (10) days written notice to Permittee, to make payments required of Permittee or perform Permittee’s obligations and be reimbursed by Permittee for the cost thereof, unless such payment is made or obligation performed by Permittee within such ten (10) day period.
24.4.3 Notwithstanding any other provision in this Permit to the contrary, County will have the right of "self help" or similar remedy including access to the Assigned Areas in order to minimize any damages, expenses, penalties, and related fees or costs, arising from or related to a violation of environmental law on, under, or about the Assigned Areas.

24.5 DEFINITIONS

24.5.1 The term "Environmental Laws," whenever used herein, means any one or all of the laws and/or regulations of the Environmental Protection Agency or any other federal, state, or local agencies, including, but not limited to, the following as the same are amended from time to time:

COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (42 U.S.C. Section 9601 et seq.)

RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. Section 6941 et seq.)

TOXIC SUBSTANCES CONTROL ACT (15 U.S.C. Section 2601 et seq.)

SAFE DRINKING WATER ACT (42 U.S.C. Section 300h et seq.)

CLEAN WATER ACT (42 U.S.C. Section 1251 et seq.)

CLEAN AIR ACT (42 U.S.C. Section 7401 et seq.)

SANITATION (Nevada Revised Statutes, Chapter 444)

NEVADA WATER POLLUTION CONTROL LAW (Nevada Revised Statutes 445.131 through 445.399)

HAZARDOUS MATERIALS, INCLUDING UNDERGROUND STORAGE TANK REGULATIONS (Nevada Revised Statutes, Chapter 459)

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) (29 CFR, Sections 1910 and 1926)

and regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the federal, state, or local government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, (including, but not limited to, ambient air procedures and records detailing chlorofluorocarbons [CFC]), ambient air, ground water, surface water and land use, including sub-strata land.
24.5.2 The term "Hazardous Material," whenever used herein, means the definitions of hazardous substance, hazardous material, toxic substance, regulated substance or solid waste as defined within the following:

COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (42 U.S.C. Section 9601 et seq.)

RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. Section 6901 et seq.)

HAZARDOUS MATERIALS TRANSPORTATION ACT (49 U.S.C. Section 1801 et seq.)

and all present or future regulations promulgated thereto.

DEPARTMENT OF TRANSPORTATION TABLE (49 C.F.R. Section 172.101) and amendments thereto.

ENVIRONMENTAL PROTECTION AGENCY (40 C.F.R. Part 302 and amendments thereto)

TRANSPORTATION OF HAZARDOUS MATERIALS BY MOTOR VEHICLE (Nevada Revised Statutes 459.700 through 459.780)

and all present or future regulations promulgated thereto.

All substances, materials, and wastes that are, or that become, regulated under, or that are, or that become classified as hazardous or toxic under any environmental law, whether such laws are federal, state, or local.

25. **NOTICES.** All notices, requests, consents and approvals under this Permit will be served or given only by certified or registered mail, except in cases of emergency, in which case they will be confirmed by certified or registered mail.

Notices intended for County will be addressed to:

Clark County, Nevada
Director of Aviation
P.O. Box 11005
Las Vegas, Nevada 89111-1005

or to such other address as may be designated by County by written notice to Permittee.
Notices intended for Permittee will be addressed to:

Mr. Larry Blackstone  
General Manager and Corporate Officer  
AIR COMBAT, U.S.A.  
230 North Dale Place  
Fullerton, CA 92833

PHONE: (800) 522-7590  FAX: (714) 522-7592

or to such other address as may be designated by Permittee by written notice to County.

26. The Director of Aviation or designee has the authority to act on behalf of the Board of County Commissioners for all purposes of this Permit, including the ability to terminate this Permit as set forth herein.

This General Aviation Operating Permit and all rights and obligations hereunder are subject to the approval by the Board of County Commissioners of Clark County.

IN WITNESS WHEREOF, County and Permittee have executed these presents the day and year first above written.

CLARK COUNTY, NEVADA

BY: ____________________________________
RANDALL H. WALKER  
Director of Aviation

AIR COMBAT, U.S.A.

SIGN: ____________________________________
PRINT: LAWRENCE R BLACKSTONE
TITLE: SECRETARY

APPROVED AS TO FORM:
David Roger, District Attorney

Deputy
EXHIBIT A
PERFORMANCE MEASURES AND SCOPE OF SERVICES

1.1 GENERAL

It is the intent of the County to provide world-class aviation services to its customers that utilize NORTH LAS VEGAS AIRPORT.

» Permittee shall furnish all management, labor, and supplies necessary for the efficient and effective operation of services included in this Permit.

» Permittee shall be responsible to plan, develop, coordinate, manage, and operate the services in accordance with this Permit in order to enhance customer services at the Airport.

» Permittee shall submit, upon request by the Director of Aviation or designee, its policies and procedures manual and have such manual approved by the Director of Aviation or designee including any material changes thereto approved prior to implementation.

» The Director of Aviation or designee will have the right to establish reasonable rules and regulations and/or operating directives and Permittee agrees to comply with such regulations.

» Permittee shall furnish its employees working at the Airport with standardized uniforms as approved by the Director of Aviation or designee. Such uniforms shall be of a color and style distinct from the County employees and shall be representative of world-class and/or high standard of operation. In addition to the required County identification badging, each employee will wear a uniform name tag identifying the employee, the service being provided and the Permittee’s name, and in the case of supervisors, their specific job title. All of the Permittee’s employees must wear their uniforms at all times while performing services under this Permit.

» Permittee shall be fully responsible for the acts or omissions of its agents, employees, contractors, subcontractors, or their agents or employees; or any other persons performing services under this Permit.

» Employees shall be instructed to park in an area designated by the Director of Aviation or designee at the rates set forth by the Department of Aviation, and shall be appropriately badged in accordance with governing regulations.

1.2 SAFETY

Permittee shall be responsible for implementing an aggressive Accident Prevention and Safety program to be used by staff. First aid supplies as well as fire extinguishers must be available for use as necessary. Permittee shall be responsible for training all employees on the use of all emergency, fire equipment, and environmental hazards and be cognizant of the locations of all
such equipment and/or materials. All accidents and incidents involving employees shall be verbally reported to the Director of Aviation or designee immediately, followed by written confirmation of the same containing all pertinent information and in a form approved by the Director of Aviation or designee, within twenty-four (24) hours of the incident.

1.3 PERSONNEL POLICIES AND PROCEDURES

Personnel relations of employees on the Permittee’s payroll shall be the responsibility of the Permittee.

- Permittee will employ, train, schedule and assign management and supervisory personnel to sufficiently and competently perform daily management, supervision, record keeping, and customer service duties associated with the efficient and effective operation of the services to be provided under this Permit. All such persons will be selected and assigned based on the highest level of competency, honesty, and courteous service available to operator through diligent recruiting, selection, and training.

- There shall be at least one employee designated as a supervisor on duty during all hours of operations.

- All personnel employed by Permittee to provide services under this Permit shall be fully qualified and licensed under federal, state, and local laws to perform such services.

- Permittee shall remove from its employ in the performance of this Permit, any employee who, in the reasonable opinion of the Director of Aviation or designee, conducts himself or herself improperly, is not qualified or is not licensed to perform the required services.

- Permittee will ensure that employees assigned to perform the services of this Permit:

1) Are bonded against theft, embezzlement, and other losses of customer personal property and/or property of the County;
2) Are familiar with the duties and responsibilities of Permittee under this Permit;
3) Are alert, attentive and responsive while on duty;
4) Do not commit any act, which may bring discredit upon the County;
5) At all times exercise prudent, mature judgment in taking whatever action is necessary to protect the property of the County and the customer and to ensure normal, efficient operations;
6) Maintain a valid Nevada State Driver’s License appropriate for the types of vehicles being driven (Minimum of Class “C”), as applicable;
7) Obey all traffic laws, rules and regulations and/or operating directives of the County at all times.

- Permittee shall ensure that all supervisory personnel assigned to perform the services under this Permit:

1) Are trained, experienced, and of mature judgment;
2) Have authority, responsibility, and are able to provide direction to and exercise control over employees;
3) Are available for immediate response and will respond to all calls for assistance;
4) Are known to the employees and conduct frequent inspections to ensure that posts, stations, and work areas are properly staffed with qualified employees and areas are kept clean.

To ensure staffing and proper ratios are adhered to, Permittee shall submit copies of employee work schedules for approval of the Director of Aviation or designee, when requested.

All management and staff personnel of Permittee shall present a professional, positive, pleasant, and courteous attitude. All employees will act in a courteous and helpful manner at all times with all customers and all other employees.

Employees will be considered courteous if they meet the following standards:

1) Provide a friendly and professional greeting to all customers whenever and wherever they make contact.
2) Display a positive attitude toward passengers and fellow employees.
3) Maintain a friendly and attentive demeanor and good posture at all times.
4) Remain calm when encountering an upset customer, listen carefully, and show empathy to the problem.
5) Speak English clearly and understandably without using slang.
6) Never use foul or inappropriate language at any time in any public area.
7) Use proper and courteous vocabulary with customers. Do use words such as “please,” “yes,” “hello” and “thank you” (or language equivalent).
8) Smile and maintain appropriate eye contact and tone of voice while conversing with customers as well as fellow employees.
9) Respond to customers in areas that may not be within their specific job scope.
10) Do not gather together to chat while on duty.
11) Do not eat or smoke at their workplace in view of customers.
12) Do not chew gum, eat, or drink in public areas, other than those designated.
13) Be always identifiable as Permittee’s personnel.
14) Do not nap or sleep while on duty.
15) Present a well-groomed, neat, clean, and conservative professional appearance.
16) Wear only appropriate accessories.
17) Wear nametag or appropriate identification at all times.
18) Uniform is consistent for the type of job being performed and is neat and clean.
19) Convey information using clearly understandable terms and provide accurate information to customers.
20) Obtain assistance to resolve customers’ questions or problems if language barriers arise.

1.4 WORK AREA STANDARDS
Permittee shall be responsible for ensuring that their work areas are maintained in a neat, safe, and professional manner. This shall include, but is not limited to, the following:

- Counters are neat and clean with no graffiti.
- Workspaces appear uncluttered.
- Employee’s personal belongings are not visible.
- No unauthorized postings.
- Handwritten, unprofessional, or unauthorized signs not used.
- Wastebaskets are not overflowing and floor area is generally clean.
- Supplies and equipment are stored out of sight of customers when not in use.

1.5 DETAILED SERVICES

Permittee shall provide the following detailed services for its customers under this Permit:

Section 1 Supervision and Administration

- Cooperate with County’s designated representative, as required.

Administrative Functions

- Establish and maintain local procedures in accordance with County’s requirements.
- As required, take action on all communications addressed to the Permittee.
- Prepare, forward, and file reports/statistics/documents and perform any other administrative duty that may be required by County.
- Prepare the following monthly reports:
  1) Report of Gross Revenues;

Other reports as may be requested by Director of Aviation or designee.
OWNERSHIP/APPLICANT DISCLOSURE FORM

Type of Business:

- Individual
- Partnership
- Limited Liability Company
- Corporation
- Trust
- Other

Business Name (include d.b.a., if applicable): **AIR COMBAT, U.S.A.**

<table>
<thead>
<tr>
<th>Business Address:</th>
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<tbody>
<tr>
<td>AIR COMBAT USA INC</td>
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<tr>
<td>2730 AIRPORT DR</td>
</tr>
<tr>
<td>NORTH LAS VEGAS, NV 89030</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Telephone:</th>
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<tbody>
<tr>
<td>714-522-7580</td>
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**Disclosure of Ownership:**

All non-publicly traded corporate business entities must list the names of individuals holding more than five percent (5%) ownership of financial interest in the business entity appearing before the Board. “Business entities” include all business associations organized under or governed by Title 7 of Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations. Corporate entities shall list all corporate financial interest. The disclosure requirement, as applied to land-use transactions, extends to the applicant and the landowner.

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Title</th>
</tr>
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<tbody>
<tr>
<td><strong>MICHAEL E. BLACKSTONE</strong></td>
<td><strong>PRESIDENT</strong></td>
</tr>
</tbody>
</table>

I certify under penalty of perjury, that all of the information provided herein is current, complete and accurate. I also understand that the Board will not take any action on the land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

**Signature/Capacity**

**Print Name**

**Date**

2-12-09