

# CITY OF MERCED

*"Gateway to Yosemite"*



## WELCOME TO YOUR REGIONAL AIRPORT AUTHORITY "SPECIAL" MEETING OF THE CITY OF MERCED

### AUTHORITY MEMBERS

Janet Young Chair, Richard Basart Vice-Chair,  
Larry Morelock, Ray Beverly, John Sundgren and Russ Cowperthwaite

### AGENDA

7:00 pm  
COUNCIL CHAMBERS  
678 WEST 18<sup>th</sup> STREET  
MERCED, CALIFORNIA

THURSDAY  
MAY 31, 2012

[www.cityofmerced.org](http://www.cityofmerced.org)

STAFF REPORTS OR OTHER WRITTEN DOCUMENTATION RELATING TO EACH ITEM OF BUSINESS REFERRED TO ON THE AGENDA ARE ON FILE IN THE AIRPORT ADMINISTRATION OFFICE OF THE AIRPORT SUPERINTENDENT. ANY PERSON WHO HAS QUESTIONS CONCERNING ANY AGENDA ITEM MAY CALL THE AIRPORT SUPERINTENDENT AT (209) 385-6873 TO MAKE INQUIRY REGARDING THE NATURE OF THE ITEM DESCRIBED ON THE AGENDA. PRIOR TO EACH REGULAR REGIONAL AIRPORT AUTHORITY MEETING, A COMPLETE AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE FOYER OUTSIDE THE COUNCIL CHAMBERS AND ON THE CITY'S WEBSITE AT [WWW.CITYOFMERCED.ORG](http://WWW.CITYOFMERCED.ORG). ANY DOCUMENTS PROVIDED TO A MAJORITY OF THE COMMITTEE MEMBERS AFTER THIS AGENDA IS POSTED WILL BE AVAILABLE FOR PUBLIC INSPECTION IN THE CITY CLERK'S OFFICE DURING NORMAL BUSINESS HOURS.

FOR CITIZEN PARTICIPATION INSTRUCTIONS, PLEASE REFER TO THE CITY'S WEBSITE AT [WWW.CITYOFMERCED.ORG](http://WWW.CITYOFMERCED.ORG). A HANDOUT IS ALSO AVAILABLE AT THE MEETING ADJACENT TO THE AGENDA. INDIVIDUAL AGENDA ITEMS MAY BE HEARD IN AN ORDER THAT IS DIFFERENT THAN THEY APPEAR ON THE AGENDA TO ACCOMMODATE MEETING PARTICIPANTS.

**INFORMATION FOR INDIVIDUALS WITH DISABILITIES:**

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk's Office at 209-388-7100.

Assisted Hearing Devices Available for Hearing Impaired  
Teletypewriter (TTY) 209-385-6816

THE PUBLIC HAS THE OPPORTUNITY TO ASK QUESTIONS OR COMMENT AT THE TIME SPECIFIC AGENDA ITEMS ARE CONSIDERED. NORMALLY, EACH AGENDA ITEM WILL HAVE A STAFF PRESENTATION, FOLLOWED BY COMMENTS OR QUESTIONS BY THE AIRPORT AUTHORITY MEMBERS. IF REQUESTED BY AN AUDIENCE MEMBER, THE CHAIRPERSON WILL THEN ALLOW THE PUBLIC TO MAKE COMMENTS OR ASK QUESTIONS. AFTER ANY PUBLIC INPUT, THE AUTHORITY MAY HAVE FURTHER DISCUSSION BEFORE TAKING ACTION TO THE NEXT AGENDA ITEM.

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. WRITTEN PETITIONS AND COMMUNICATIONS**
- D. ORAL COMMUNICATIONS**

AT THIS TIME, ANY MEMBER OF THE AUDIENCE MAY COMMENT ON ANY MATTER NOT LISTED ON THE AGENDA. PLEASE STAND AND STATE YOUR NAME AND ADDRESS FOR THE RECORD. THE AUTHORITY WILL NOT TAKE ACTION ON THE ITEM THAT IS BROUGHT TO THEIR ATTENTION THIS EVENING. IF IT REQUIRES ACTION, IT WILL BE REFERRED TO STAFF AND/OR LISTED ON THE NEXT AUTHORITY AGENDA.

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PLEASE BE BRIEF AND TO THE POINT. AVOID REPEATING WHAT PREVIOUS SPEAKERS HAVE SAID. IF TWO OR MORE INDIVIDUALS ARE HERE AS A GROUP AND WISH TO SPEAK ON ONE SIDE OF AN ISSUE, PLEASE SELECT A SINGLE SPOKESPERSON TO PRESENT YOUR VIEWS.

- E. REPORTS**
  - 1. AIR METHODS LEASE FOR MAINTENANCE HANGAR 11**

*Recommendation: Adopt a motion to approve and file.*
  - 2. COMMERCIAL NEEDS ASSESSMENT STUDY BY RS&H**

*Recommendation: Information only.*
- F. ADJOURNMENT:**

TO THE NEXT AIRPORT AUTHORITY MEETING, TUESDAY JUNE 19, 2012 AT 7:00 PM IN THE CITY COUNCIL CHAMBERS, 678 WEST 18<sup>TH</sup> STREET MERCED, CA 95340.

To: Regional Airport Authority  
From: Ronald K. Elliott, Airport Manager  
Date: May 31, 2012  
**Re: Hangar 11 Lease to Air Methods**

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### **Background**

On March 31, 2012 the Mitchell Family's 40 year Lease on Hangar 11 expired. On April 1, 2012 all right, title and interest in the ground lease for Hangar 11 reverted back to the Merced Regional Airport and City of Merced. Hangar 11 is 3,000 square feet in size - It measures 50 feet east to west, and 60 feet north to south. The hangar has electricity, but no plumbing or restrooms. It has sliding doors for aircraft, and one walk through man door on the northwest side

Air Methods, currently doing business as Mercy Air, has approached Airport Staff regarding their desire to lease Hangar 11. In the past few months, Air Methods has been in the process of building a new alert facility on the Airport. Site construction is complete and Air Methods will be moving a modular building onto the site within the next few weeks. Air Methods' intent is to bring Hangar 11 into compliance with city codes for use as a maintenance hangar for their helicopter. In order to meet city codes for maintenance operations, Air Methods needs to do some work on the hangar to include, but not limited to, installing a sand/oil separator, mechanical vents, and hangar drainage stops along the east and west walls. Air Methods understands the Hangar is being leased "as is" and would like to start the work necessary to bring it up to city code standards as soon as possible.

Air Methods current contract with the County expires in 2016. However, instead of completing a four year lease, Air Methods has requested a two year lease to expedite the process. If a lease is longer than two years the Regional Manager for Air Methods can not approve and the lease would need to be reviewed at the executive management level. Air Methods fully expects to renegotiate and renew the lease in two years.

### **Summary of Hangar 11 Lease Terms:**

**Parties:** Lessor: The City of Merced, 678 W 18<sup>th</sup> Street, Merced, California  
Lessee: Air Methods, a Delaware Corporation, 7301 S. Peoria Street, Englewood, CO 80112.

**Premises:** The premises will consist of Hangar #11 Café (approximately 3,000 square feet). Lessee may make additional improvements to other areas consistent with plans approved by Lessor.

**Term:** The term of the lease shall be 24 months, commencing when executed.

**Improvements:** Lessee shall fund any and all costs of development of lessee's improvements. Lessee understands and agrees that lessor will pay no costs whatsoever for the development of the Premises.

All work requiring a permit performed by the lessee will be accomplished through a licensed contractor.

**Design:** The lessee shall coordinate design and receive written approval from the lessor for any and all improvements on the premises.

**Rent:** The Rent for the Premises shall be \$995 per month.

**Payment of Rents:** Lessee shall pay rent in advance, with the first month payment due within five days of the execution of the lease by both parties, and such date of payment becoming the commencement date of the lease and the annual anniversary date.

**Deposits:** The lessee shall make a Good Faith Deposit of \$995 upon approval of the proposed lease by the Merced City Council.

**Compliance with Rules and Commercial Operator's Permit:** Lessee shall at all times comply with all rules and regulations of the Airport, and shall obtain a City Business License and pay fees associated with a Commercial Operator's Permit.

**Condition of Site on Lease:** Premises are leased "as-is".

**Uses:** The leased premises shall be used exclusively for the purpose of storing and/or operating a maintenance hangar for Air Method Helicopters.

**Maintenance:** Lessee shall keep the premises and all improvements in good repair and condition following the completion of improvement.

**Net Lease/Taxes:** Lease is "triple-net." Lessee shall pay all maintenance; insurance; and property taxes, liens or assessments.

**Reversion:** All improvements shall revert to the ownership of the lessor at no cost to the lessor at the termination of the lease for any reason, whether expiration or default.

**Other:** Other provisions shall be included in the lease, covering nondiscrimination, notices, defaults, and cure of defaults, FAA requirements, Force Majeure, and others.

**Broker:** Neither party is represented by a broker in this transaction.

**Conditions:** Lease Agreement is subject to the approval of the Merced City Council.

Additional lease provisions, besides those described above, will be included in the lease, as with all City of Merced leases.

**SUMMARY/RECOMMENDATION:**

Airport staff recommends that the Regional Airport Authority adopt a motion approving the lease terms.

Attachment: Merced Regional Airport Hangar Eleven (11) Commercial Maintenance and Repair Lease Agreement.



**MERCED REGIONAL AIRPORT  
HANGAR ELEVEN (11) COMMERCIAL MAINTENANCE  
AND REPAIR LEASE AGREEMENT  
(Air Methods Corp., dba Mercy Air)**

**THIS LEASE AGREEMENT**, made and entered into in the City of Merced, County of Merced, State of California, as of the \_\_\_\_ of \_\_\_\_\_, 2012, by and between the City of Merced, a California Charter Municipal Corporation ("LESSOR") and Air Methods Corp., a Delaware Corporation, doing business as Mercy Air ("LESSEE").

**WITNESSETH**

**WHEREAS**, the LESSOR owns Hangar Eleven (11) for the use of aircraft storage and personal maintenance at the Merced Regional Airport.

**FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS AGREED AS FOLLOWS:**

1. **LEASED PREMISES:** The Leased Premises is the real property located at the Merced Regional Airport as generally known as Hangar Eleven (11), and more specifically described on attached Exhibit A incorporated herein by reference.
2. **RENTAL AND TERM:** This Lease shall commence on the \_\_\_\_ day of \_\_\_\_\_ 2012, and shall continue for Twenty-four (24) months subject to termination as provided herein. The rents to be paid by LESSEE shall be the sum of \$995.00 per month, paid in advance to the LESSOR each month.
3. **SECURITY DEPOSIT:** LESSEE shall deposit with LESSOR upon commencement of this Lease an amount of \$995.00 security for the full and faithful performance of every term and condition of this Lease. If

LESSEE defaults with respect to any of the terms and conditions of this Lease, including but not limited to the payment of rent, LESSOR may use, apply or retain the whole or any part of this security for payment of any or all of the above mentioned purposes. Any remaining portion of such deposit shall be returned to the LESSEE after termination of this Lease. LESSEE shall not be entitled to any interest on the security deposit.

4. **AIRPORT GATE ACCESS:** Upon the mutual execution of this Lease by both parties, a five-digit code will be issued to LESSEE's employees. Each employee requiring Gate Access must complete the "Driver's Training Course" as provided by Airport staff and mandated in the Airport Rules and Regulations.

5. **USE:** The Leased Premises which is the subject of this Lease shall be used solely for company owned aircraft/helicopter storage and general commercial maintenance and repair. LESSEE shall submit aircraft tail number at the date of entry into this Lease and shall within five (5) business days of any change in that tail number provide written notice of same to LESSOR.

6. **RESERVED.**

7. **REGULATIONS:** The use of the Leased Premises by LESSEE shall at all times be subject to all rules and regulations as constituted or hereafter revised or adopted by the Regional Airport Authority of the City of Merced, the City Council of the City of Merced, or the Airport Manager. LESSEE shall become familiar with and shall at all times abide by all Airport rules and regulations relating to use of Leased Premises and the use of any of LESSOR'S other facilities, whether promulgated before or after the execution of this Lease. LESSEE acknowledges by his signature below that he has been provided a copy of the Airport Rules and Regulations.

8. **AIRPORT SECURITY PLAN:** LESSEE agrees to comply with all rules set forth in the Airport Security Plan now and in the future that pertain to its operation under federal, state and local security directives specifically:

A. **LESSEE** shall furnish the LESSOR a duplicate set of keys for locks of any kind placed upon any of the access/entries to the Leased Premises. LESSOR shall have the right to access any structure placed on

the Leased Premises as reasonably necessary to protect the health, safety, security and welfare of the Airport.

9. **VOLUNTARY ASSIGNMENT:** Except as expressly provided herein, LESSEE shall not assign this Lease nor any right hereunder, nor sublet the Leased Premises, nor any part thereof, or suffer any other person to occupy or use the said Leased Premises or any portion thereof without prior written consent of the LESSOR. Any such assignment, subletting, occupation or use by any other person without such consent shall be void, and shall at the option of LESSOR terminate this Lease.

10. **INVOLUNTARY ASSIGNMENT:** LESSEE agrees that, except as expressly provided herein, neither this Lease or any interest herein shall be assignable or transferable by operation of law, except for devolution upon the death of the LESSEE, and it is hereby mutually agreed, covenanted and understood by and between the parties hereto that in the event of any proceeding under the Bankruptcy Act or any amendment thereto be commenced by or against LESSEE, or in the event LESSEE be adjudged or makes an assignment for the benefit of his creditors, or a writ of attachment or execution be levied on the leasehold estate created hereby, and not be released or satisfied within ten (10) days thereafter, or if a receiver be appointed in any proceeding or action to which LESSEE is a party, with authority to take possession or control of the Leased Premises, such action shall be deemed a default under this Lease and this Lease at the option of LESSOR be terminated and shall in no way be treated as an asset of LESSEE. LESSOR shall have the right, after termination of the Lease to immediately re-enter and repossess itself of said Leased Premises as of its original estate.

11. **IMPROVEMENTS AND/OR CONSTRUCTION, ALTERATIONS:** LESSEE shall make no improvements or alterations of any kind on the Leased Premises until LESSEE has obtained written approval of the plans and specifications for the structure by LESSOR. Any such structure and/or alteration by LESSEE shall be at the LESSEE'S sole expense.

12. **IMPROVEMENTS AND FIXTURES:** LESSEE agrees that all improvements and fixtures installed by LESSEE on the Leased Premises shall become property of LESSOR and remain on the Leased Premises upon termination of this Lease.

13. **MAINTENANCE CLEANING AND REPAIR OF HANGAR:** LESSOR will be responsible for all structural repairs, except as may be agreed and permitted under Section 10 above. LESSEE agrees to maintain the Leased Premises in a clean and orderly condition at all times, and in accordance with safety and fire codes which may apply to aircraft hangar storage and other applicable Federal, state, local laws and ordinances. LESSOR may notify the LESSEE in writing to conduct necessary maintenance cleaning, or repair on the Leased Premises. Any such maintenance or repair by LESSEE shall be at the LESSEE'S sole expense. If LESSEE fails to perform such maintenance cleaning and repairs within a reasonable length (as determined in LESSOR'S sole discretion) of time as set forth in said notice, LESSOR may terminate this Lease.

14. **GARBAGE:** LESSEE agrees to cause to be removed at its own expense from the Leased Premises all waste, garbage, and rubbish, and agrees not to deposit the same on the Leased Premises except temporarily in connection with collection for removal.

15. **AUTO PARKING:** LESSEE, its employees and customers, shall have the nonexclusive right to use the public vehicle parking area located outside the Airport security fence, or such other suitable area as may be from time to time designated by LESSOR.

16. **UTILITIES:** LESSEE promises and agrees to pay for all electric energy and electric lighting, telephone service, water, and other public utility services used on the Leased Premises.

17. **RIGHT OF RE-ENTRY OF LESSOR:** It is expressly agreed that in the event LESSEE creates or causes any breach of this Lease, LESSOR shall have the right and option to re-enter said Leased Premises, take possession thereof, and remove all persons and property therefrom without benefit of court order, and/or as provided by law or by this Lease.

18. **SURRENDER OF POSSESSION:** At the expiration of this Lease, LESSEE promises and agrees to deliver unto LESSOR the said Leased Premises in as good condition as at the date of execution of this Lease, reasonable wear and tear excepted.

19. **RESERVED.**

20. **POSSESSORY INTEREST:** LESSEE recognizes and understands that to the extent this Lease may or may not create a possessory interest subject to property taxation, that the LESSEE is solely responsible for the payment of any taxes levied or assessed on the Leased Premises. LESSOR expresses no opinion on the taxable affect of this Lease. LESSEE further agrees to pay, without the right to deduct from rental fees provided herein, any and all property taxes, if any, assessed during the term of this Lease against LESSEE'S possessory interest in the Leased Premises. LESSEE further agrees to pay, without right to deduct from rental fees provided herein, any and all personal property taxes assessed against its property on said Leased Premises, and such portion of any real property taxes as may be levied against structures/improvements owned by LESSEE and erected upon land owned by LESSOR.

21. **INDEMNIFICATION:** LESSEE shall indemnify, protect, defend, (with counsel selected by the LESSOR) and hold LESSOR, and its employees, officials and agents harmless from and against any and all liabilities, actions (including actual, alleged, or threatened claims, demands, suits, legal or equitable actions, arbitration proceedings, administrative proceedings, or other dispute resolution proceedings), losses, damages, and expenses or costs of any kind (including attorneys fees and costs, court costs, interest, defense costs, expert witness fees and investigatory fees), where the same arise out of, are a consequence of, or are in any way related to, in whole or in part, LESSEE'S use or the use of any guests, invitees or agents of LESSEE of the Leased Premises or of LESSEE'S operation, use, maintenance, repair, storage, loading or unloading of any aircraft.

21. **INSURANCE:** LESSEE shall provide evidence that the following insurance coverage(s) are in effect prior to the commencement of this Lease and any right of occupancy of the Leased Premises and shall maintain coverage in full force and in effect until the termination of this Lease. The insurance required herein is a separate covenant of LESSEE from its indemnity obligation in Section 16 hereof. As such, LESSEE'S indemnity obligation is not limited to its insurance obligation in this Section.

A. **General Liability and Bodily Injury Insurance:** LESSEE shall obtain and keep in full force and effect, a commercial, general liability policy of at least One Million Dollars (\$1,000,000) per occurrence combined limit for bodily injury and property damage, provided that the LESSOR, its

officers, employees, volunteers and agents are to be named additional insureds under the policy, and that the policy shall stipulate that this insurance will operate as primary insurance, and that no other insurance effected by LESSOR or other named insureds will be called on to cover a loss covered thereunder.

B. **Fire Damage Insurance:** LESSEE shall also maintain in full force and effect fire damage insurance on the Leased Premises, including any improvements and fixtures installed by LESSEE, in an amount of at least One Million Dollars (\$1,000,000), with loss payable to LESSOR.

C. **Certificate of Insurance:** All policies of insurance required above shall be written by a qualified insurance company rated 'A:VII' or better by the Best's Insurance Rating Guide and be authorized to do business by the State of California and shall be in a form approved by LESSOR. LESSEE shall file with the LESSOR a certificate of insurance and endorsement evidencing coverage as set forth above. LESSEE is required to mail a certificate of insurance, signed by an authorized representative of the issuing company, annually, to the City of Merced City Clerks' Office, at 678 West 18<sup>th</sup> St, Merced, CA 95340. The following information must be included on each certificate of insurance or the coverage shall be considered incomplete:

- (1) A statement that the City of Merced, its officers, employees, volunteers and agents are a named insured under each policy or policies;
- (2) All required dollar limits of insurance coverages shall be correctly stated;
- (3) A provision that written notice of cancellation or any material change in coverage shall be delivered to LESSOR at least 30 days in advance of the effective date of the material change or cancellation, and that no cancellation, alteration or change of beneficiary or beneficiaries shall be made without written notice to LESSOR;
- (4) An original signature and the printed name of the insurance agent or authorized representative of the insurance company issuing the policy, including the insurance underwriter's or broker's telephone number.

23. **DEFAULT:** In the event the LESSEE violates any of the terms or provisions of this Lease, the Lease may be voided by LESSOR. LESSEE agrees to vacate said Leased Premises no later than three (3) days after written notice from LESSOR. Notice from LESSOR shall be by certified letter to the address stated at the end of this Lease and by letter posted on the Leased Premises. Ten (10) days after LESSEE has mailed and posted notice, the LESSOR, or its authorized agents, may remove any personal property from said Leased Premises and sell or assign the personal property at public or private sale. Expenses of selling and preparing for sale, including reasonable attorneys' fees and other legal or transfer expense, shall be included in the amount LESSOR is entitled to retain. Nothing herein shall be deemed a waiver of any rights of LESSOR to demand and obtain possession of said premises in accordance with law.

24. **CHANGE OF ADDRESS:** It shall be LESSEE'S responsibility to inform LESSOR of any change of address.

25. **DELINQUENT RENT:** In addition to other remedies contained in this Lease, in the event any rental payment is not received by the LESSOR by the twentieth (20<sup>th</sup>) day of the month, LESSEE shall pay to LESSOR a late fee of \$25.00.

26. **PEACEFUL ENJOYMENT:** For the entire period that LESSEE performs all of the terms, covenants and conditions of this lease, and abides by all of the rules and regulations pertaining to the Merced Regional Airport and abides by all rules and regulations adopted by the City Council of the City of Merced, the LESSEE shall have the right of peaceful enjoyment of the Leased Premises.

27. **CONDEMNATION:** If any part of the Leased Premises of said Airport is condemned, or its character is changed by public authority or otherwise, or in the event operation of said Airport for airport purposes is discontinued, or if any obstructions are placed on said Airport or Leased Premises adjoining said Airport so that it then becomes impossible or impractical to use said Leased Premises for the purposes for which they are leased hereof, this Lease shall terminate. LESSEE shall not be entitled to any proceeds from the condemnation except those specifically designated and provided by law or the public entity or person acquiring the property under threat of condemnation for the purpose of relocation and/or goodwill. LESSEE hereby assigns to LESSOR the rights to any and all damages for

property taken in any such proceeding and all such damages shall be payable to LESSOR, except relocation and/or goodwill.

28. **INSPECTION**: LESSOR shall be permitted to enter and view the Leased Premises at any and all times for the purpose of inspecting or maintaining such Leased Premises and doing any and all things with reference thereto which the LESSOR is obligated to do or which may be deemed necessary or desirable for the proper conduct and operation of the Airport.

29. **TERMINATION PRIOR TO EXPIRATION**: The LESSOR shall have the right to terminate this Lease, in whole or in part, on the occurrence of any of the following events:

A. Failure on the part of the LESSEE to pay rent.

B. Filing by or the final adjudication of LESSEE of any petition in bankruptcy or the making of any transfer of general assignment for the benefit of creditors which has not been previously authorized by the LESSOR.

C. The failure of the LESSEE to perform or observe any of the terms, covenants and conditions which it is obligated to perform, keep or observe under this Lease, or to obey any law, ordinance, or regulation pertaining to LESSEE'S use or occupancy of the Leased Premises.

D. The abandonment of the Leased Premises, or any portion thereof or required services, or any portion thereof. Should this occur, LESSOR shall not be responsible for the custodial protection of LESSEE'S property, fixtures or equipment abandoned, even though it is necessary for LESSOR to remove same from the Leased Premises for storage or disposal.

E. In the event of need for the Leased Premises by the LESSOR for purposes of national defense.

30. **RIGHTS AFTER TERMINATION**: In the event of termination for default or unsatisfactory performance by the LESSEE, the LESSOR shall have the right (unless otherwise specified in the termination notice), at once and without further notice to the LESSEE, or surety, to enter and take possession of the Leased Premises occupied by the LESSEE, and expel,

oust and remove any and all parties who may occupy any portion of the Leased Premises or Airport covered by this Lease, and any and all goods and chattels belonging to the LESSEE or his associates which may be found in or upon same, without being liable for prosecution or to any claim for damages therefor. Upon such termination by the LESSOR, all rights, powers and privileges of the LESSEE shall cease, and the LESSEE shall immediately vacate any and all space occupied by LESSEE under this Lease, and shall make no claims of any kind whatsoever against the LESSOR, its agents or representatives, by reason of such termination, or any act incident thereto.

31. **RESERVED.**

32. **BREACH:** In the event of breach of this Lease by LESSEE, LESSOR shall be entitled to all rights and remedies provided by law in addition to the specific remedies mentioned herein.

33. **PARTNERSHIP DISCLAIMER:** It is mutually understood and agreed that nothing in this Lease is intended to or shall be construed as in any way creating or establishing the relationship of partners between the parties hereto, or as constituting the LESSEE as an agent or representative of the LESSOR for any purpose or in any manner whatsoever.

34. **CONFORMANCE TO APPLICABLE LAWS:** LESSEE shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by LESSEE in connection with this Lease because of race, color, national origin, ancestry, disability, sex or religion of such person.

35. **NOTICES:** Any notice to the LESSOR shall be sufficient if sent by certified mail postage prepaid, addressed to the City Manager, City of Merced, 678 West 18<sup>th</sup> Street, Merced, California, 95340. Any notice to the LESSEE shall be sufficient if sent by certified mail addressed to LESSEE at the address stated at the end of this Lease.

36. **ATTORNEY'S FEES:** If either party brings any action or proceeding to enforce, protect or establish any right or remedy under this Lease, the prevailing party shall be entitled to recover reasonable attorney's fees. Judicial arbitration is an action or proceeding for the purpose of this provision.

37. **NON-WAIVER:** Any waiver or breach of covenants or conditions herein contained to be kept and performed by either party shall be effective only if in writing and shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the other party from declaring a forfeiture or exercising its rights for any succeeding breach of either the same or other condition or covenant.

38. **SUCCESSOR:** This Lease shall be binding upon and inure to the benefit of all the heirs, successors and assigns of the parties.

**IN WITNESS WHEREOF,** the parties hereto have caused this Lease to be executed the day and year first above written.

LESSOR:  
CITY OF MERCED  
A California Charter Municipal  
Corporation

BY: \_\_\_\_\_  
City Manager

ATTEST:  
JOHN M. BRAMBLE, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

Ken Boyd      5/29/12  
City Attorney      Date

ACCOUNT DATA:

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Verified by Finance Officer

LESSEE:  
AIR METHODS CORP, A  
Delaware Corporation,  
Doing Business As  
Mercy Air

BY: \_\_\_\_\_

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Print Name

Its: \_\_\_\_\_

Taxpayer I.D. No. \_\_\_\_\_

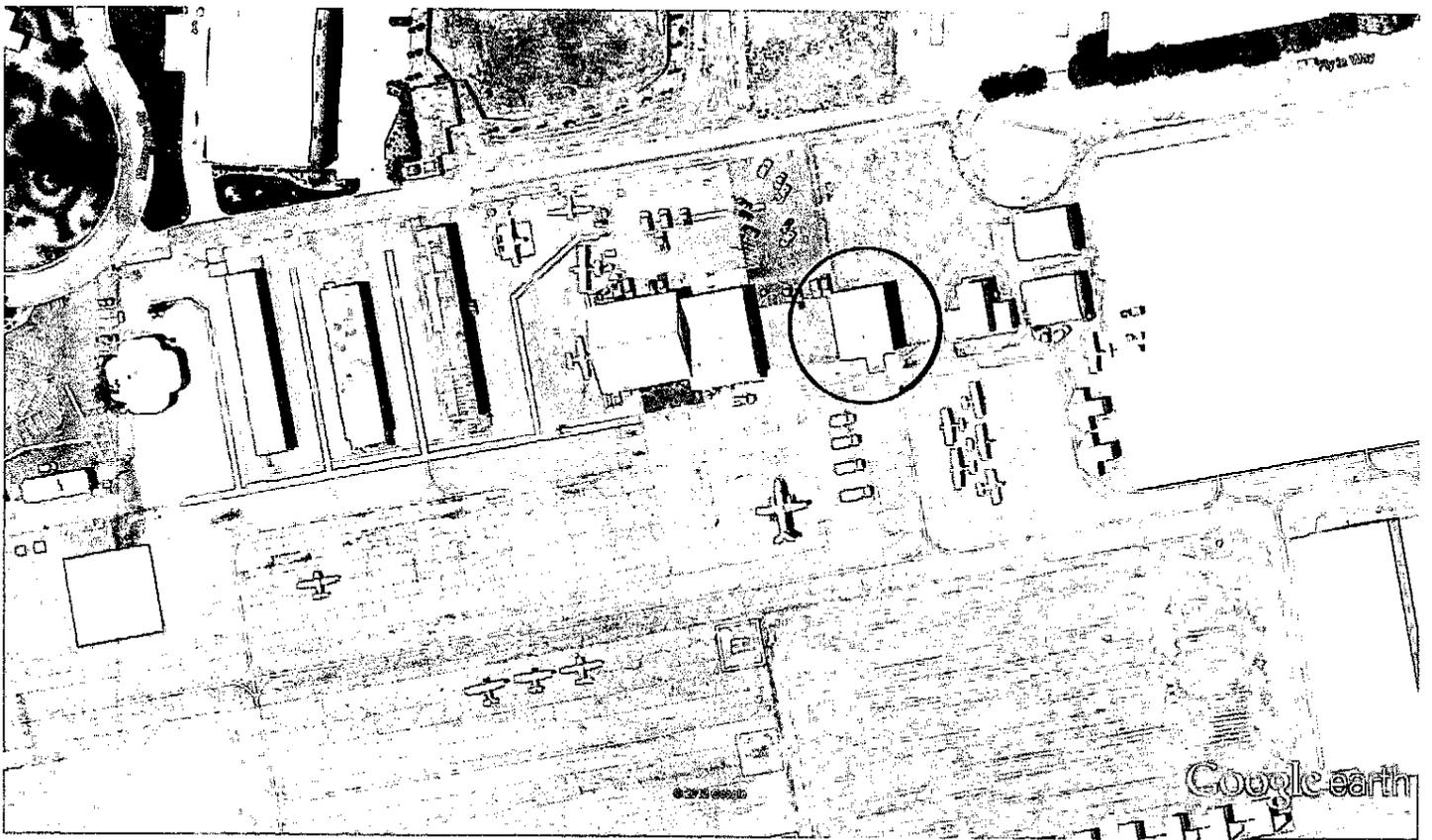
Business License No. \_\_\_\_\_

ADDRESS: 7301 S. Peoria St.  
Englewood, CO 80112

TELEPHONE: \_\_\_\_\_

FAX NO: \_\_\_\_\_

E-MAIL: \_\_\_\_\_



Google earth



**EXHIBIT A – MERCED REGIONAL AIRPORT HANGAR 11**