

**HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Airport Advisory Board (AAB) Meeting**

December 11, 2025

4:00 p.m. – SPECIAL Meeting

-Time and Order of Items are approximate and may be changed as Time Permits-

- I.** Call To Order/Roll Call (Chairman Talley)
- II.** Pledge of Allegiance (Board member Jay Townsend or by invitation)
- III.** Approval of Minutes
 1. Approval of the October 8, 2025 Meeting Minutes (Robin Raines, Deputy Recorder)
- IV.** Public Comments: (Please limit comments to three (3) minutes per person.)
- V.** General Business
 1. Elemental Aviation SASO Application Review (Travis Biggs, Airport Director)
 2. Approve Annual Meeting Schedule 2026 (Travis Biggs, Airport Director)
 3. Review Non-Reversionary Form Ground Lease (Travis Biggs, Airport Director)
- VI.** Adjournment

Ordinance 2006-05 allows Commission Members to participate in meetings via telecommunications media.

Posted on December 1, 2025, in the Heber City Municipal Building located at 75 North Main, the Heber City Website at www.heberut.gov, and on the Utah Public Notice Website at <http://pmn.utah.gov>.

1 **HEBER CITY CORPORATION**
2 **75 North Main Street**
3 **Heber City, UT 84032**
4 **Airport Advisory Board (AAB) Meeting**
5 **October 8, 2025**
6 **4:00 p.m. – Regular Meeting**

7 *-Time and Order of Items are approximate and may be changed as Time Permits-*

8 **I. Call To Order/Roll Call (Chairman Talley)**

9 Chairperson Talley called the meeting to order at 4:08 pm. He welcomed the new Board
10 Member, Jay Townsend. He thanked Jeff Peterson for his service on the Board. Alan
11 Roberts substituted for Nadium AbuHaidar.

12 **Airport Advisory Board Present:**

13 Chairperson Jason Talley
14 Vice Chairperson Bill Tew
15 Bart Mounter
16 Jay Henry
17 Alan Robertson substituted for Nadium AbuHaidar
18 Jeff Mabbutt
19 Jay Townsend
20 Alternate / City Council Member D. Scott Phillips
21 (remotely)
22

23 **Staff Present:**

24 Airport Manager, Travis Biggs
25 Airport Office Administrator, Chandra Gremler
26 Assistant City Manager, Mark Smedley
27 City Deputy Recorder, Robin Raines-Bond
28 Finance Manager, Sara Nagel
29

30 **Also Present:** David Robinson, Oliver Talley, and others who did not sign in or whose
31 handwriting was illegible.
32

33 **Attending Remotely:** IT Director Anthon Beales.
34

35 **II. Pledge of Allegiance (Board Member Mabbutt)**

36 Board Member Jeff Mabbutt led the Pledge.

37 **III. Approval of Minutes**

38 1. Approval of the April 16, 2025, meeting minutes. (Robin Raines-Bond)

39 The minutes of the previous meeting were reviewed and approved with changes. The
40 motion concerning the Elemental Aviation proposal was moved to the next meeting for
41 consideration. The Board asked for an attorney to review the vote.

42 **MOTION:** Board Member Henry motioned to accept the minutes with Changes
43 requested by Chairman Talley and the recommendation of Assistant City Manager Mark
44 Smedley to exclude the motion and vote for the proposal of Elemental Aviation's fuel
45 farm SAOS to be presented to the City Council. Board Member Munteer seconded the
46 motion. **Yes:** Chairperson Talley, Vice Chairperson Tew, Board Member Munteer,
47 Mabbutt, and Henry. **No:** None. **Abstained:** Jay Townsend and Alan Robertson. **Motion**
48 **passed 4-0.**

49 **Minutes for Elemental Aviation Motion, for the Board's Consideration:**

50 It was noted that Council Member Nadium AbuHaidar and Chairman Jason Talley
51 recused themselves from voting on the motion due to a conflict of interest. Council
52 Member AbuHaidar later un-recused himself, citing that his business was not in
53 competition with Elemental Aviation's proposed SASO (Specialized Aviation Service
54 Operator). Mr. Talley argued that the FBO (Fixed Base Operator, OK3) would compete
55 with Elemental Aviation's proposed SASO because both have a financial interest in fuel
56 sales; therefore, his vote should not count. Mr. Talley also stated that, according to AAB
57 Bylaws, alternate members could only vote if a quorum would not be met. He stated that
58 a full quorum was present and that City Council Member Phillip's vote was therefore
59 invalid. Staff would consult with the City Attorney to determine if the voting was valid.

60 ***The following motion was stricken from the Approved minutes and moved to the***
61 ***next meeting for consideration.***

62 **Motion:**

- 63 • A motion was made to forward Elemental Aviation's proposal to the City Council
64 for consideration under the case-by-case minimum standards framework.
- 65 • The motion included findings that the proposal:
 - 66 ○ Provides high-quality products, services, and facilities to airport users.
 - 67 ○ Adds commercial activities not currently available at the airport.
 - 68 ○ Promotes safety and compliance with regulatory requirements.
 - 69 ○ Enhances the economic health of the airport, including flowage fees and
70 future hangar development.
 - 71 ○ Reduces lead and particulate emissions, contributing to community health
72 and welfare.
 - 73 ○ Permits orderly development consistent with the airport master plan and
74 ALP.

75 **Operational and Safety Requirements Included in Motion:**

- 76 • Permittee to maintain fuel storage facilities in good condition and demonstrate
77 agreements with reputable fuel suppliers.
- 78 • Permittee to maintain a written Spill Prevention Contingency and Control Plan
79 (SPCC) and file updated copies with the airport manager.
- 80 • Permittee liable for leaks, spills, or damage, and responsible for fuel quality and
81 reporting.
- 82 • Approvals for construction of the commercial self-service fuel facility and taxiway
83 improvements, consistent with applicable codes and the airport layout plan.

84 Additional Discussion

- 85 • Board members reiterated the advisory role and emphasized the importance of
86 protecting the city and its processes.
- 87 • Concerns were expressed regarding conflicts of interest, procedural compliance,
88 and the potential for misuse of the advisory process.
- 89 • Members noted that the proposal should be evaluated at the Council level, which
90 has the authority to approve, deny, or request further review, including potential
91 RFPs or other processes for self-service fueling at the airport.
- 92 • The Board acknowledged the differing opinions among members and the need to
93 respect the City Council's decision-making authority.

94 **MOTION:** Board Member Henry motioned to send the proposal on to the City Council
95 according to Mr. Talley's list. Vice-Chairperson Tew seconded the motion. **Yes:** Vice
96 Chairperson Tew, Board Members Henry and Petersen. **Abstained:** Chairperson Talley
97 **No:** Board Members Munteer, Mabbutt, and AbuHaidar, and Council Member Phillips
98 who broke the tie vote. **Motion failed 3-4.**

99

100 **IV. Public Comments: (Please limit comments to three (3) minutes per person.)**

101 None.

102 **V. Airport Manager Quarterly Report (Travis Biggs)**

103 Airport Manager Travis Biggs introduced his assistant Chandra Gremler. He said
104 many projects were underway at the airport, including maintenance, crack sealing,
105 hangar inspections, and installing a new gate. He informed the Board that the airport
106 would be closed for about eight days.

107 Board members expressed appreciation to Manager Biggs for his leadership,
108 accessibility, and dedication to airport operations. They noted significant improvements
109 at the airport, as well as his responsiveness to users and the community.

110 Mr. Talley would like to call a special meeting on December 3, 2025. He suggested an
111 item for the agenda:

- 112 1. Discussion for Right Hand Traffic on Runway 22

113

114 VI. General Business

115 1. Draft Non Reversionary Ground Lease Agreement

116 Mr. Biggs introduced a draft of the proposed Non-Reversionary Ground Lease Agreement,
117 explaining that the existing lease required updates to reflect current aviation practices and the
118 operational needs of the airport.

119 He reported that the draft was developed with extensive input from staff and industry experts.
120 Key goals included protecting the airport and community, reducing financial burden on
121 taxpayers, ensuring future flexibility for funding changes or natural disasters, helping the airport
122 become self-sustaining and compliant, and providing a professional and equitable document for
123 both the City and hangar owners.

124 Mr. Biggs clarified that the updated lease would apply as existing leases expire.

125 Lease Term Discussion ensued. The proposed lease term is 15 years. New-construction hangar
126 leases could extend 20 years or more. Board members expressed concerns related to amortization
127 periods and hangar valuation under the proposed terms. Members asked whether sale/transfer of
128 hangars would be affected and whether the lease terms would reflect market values. Mr. Biggs
129 noted that lease structures from other airports were reviewed and considered during the drafting
130 process.

131 Market Value Considerations were discussed.

132 Council Member Scott Phillips stated the City must ensure its leases reflect current market value,
133 noting that many existing leases are significantly below market rates. He emphasized:

- 134 • The airport is a public asset
- 135 • Updated leases should recalibrate to market value every 15 years
- 136 • Current leaseholders would have first rights to renew or extend
- 137 • Adjustments benefit all taxpayers by maintaining the value of airport land

138 Reversionary and non-reversionary leases were argued. The Board discussed differences
139 between the two lease types. Board Member Townsend expressed opposition to reversionary
140 leases. Mr. Biggs noted that the City's reversionary leases typically generate higher revenue.

141 Board Members asked extensive questions regarding:

- 142 • CPI selection and indexing for rate adjustments
- 143 • Transferability of leases to new owners
- 144 • Treatment of existing agreements approaching expiration
- 145 • Market-value recalibration intervals
- 146 • Application of provisions to Daniel hangars

147 Mr. Smedley clarified:

- 148 • The proposed lease would become the City's new standard non-reversionary lease
- 149 • Hangar owners own the structure; Heber City owns the land
- 150 • The City recognizes the need for adequate amortization periods
- 151 • The City is not attempting to remove hangar owners, but must responsibly manage airport
- 152 land value

153 The Board reviewed operational provisions within the lease: General and prohibited uses were
154 intended to protect all airport users. Compliance with environmental regulations related to
155 solvents, washing aircraft, drains, and contaminants. Aircraft must remain the primary use of the
156 hangar. Limited non-aeronautical storage permitted only under defined conditions and with
157 compliance deadlines. Rules for personal or identification signage were discussed. Insurance
158 requirements were reviewed, including hangar keeper's insurance. Questions were raised
159 regarding snow and weed removal, storage of equipment, and the placement of snow.
160 Clarifications were made regarding ownership-entity changes.

161 The market value, improvements, and future growth were discussed. Council Member Phillips
162 emphasized the importance of protecting the City's long-term investment in airport property.
163 Improvements made by owners, such as new doors, may increase hangar value. There is
164 currently a significant waiting list for hangars. New leases will be negotiated at updated rates as
165 current agreements expire.

166 Additional items discussed included:

- 167 • Discussion occurred regarding temperature conditions for required compliance periods
168 (e.g., 60 days for cleaning when above 50°F).
- 169 • Questions were raised concerning the storage of support vehicles, environmental
170 considerations, and aircraft servicing by owners or contractors.
- 171 • The definition of airspace rights above properties were briefly mentioned.

172 **MOTION:** Vice Chair Tew motioned to continue the non reversionary ground lease
173 agreement discussion at a December 3, 2025, meeting. Chairman Talley seconded the
174 motion. **Yes:** Chairperson Talley, Vice Chairperson Tew, Board Member Munteer,
175 Mabbutt, Townsend, and Henry. **No:** None. **Motion passed 6-0.**

176 VII. Adjournment

177 **MOTION:** Board Member Henry motioned to adjourn. Board Member Townsend
178 seconded the motion. **Yes:** Chairperson Talley, Vice Chairperson Tew, Board Members
179 Munteer, Henry, Townsend, and Mabbutt. **No:** None. **Motion passed 6-0.**

180 The meeting adjourned at 6:42 pm.

181

182 *I, Robin Raines-Bond, City Deputy Recorder of Heber City, hereby certify that the foregoing minutes*
183 *represent an accurate and complete record of the meeting held on April 16, 2025. This document*
184 *constitutes the official minutes of the Airport Advisory Board Meeting.*

185

186

187 SEAL

DATE

188

189

190

191

Robin Raines-Bond
City Deputy Recorder

DRAFT



Airport Advisory Board (AAB) Staff Report

MEETING DATE: 12/11/2025
SUBJECT: Elemental Aviation SASO Application Review
RESPONSIBLE: Travis Biggs
DEPARTMENT: Airport
STRATEGIC RELEVANCE: Economic Development

SUMMARY

The airport manager (Manager) has received a request from Elemental Aviation for a **Specialized Aeronautical Service Operator (SASO)**. The role of the Manager when reviewing a SASO application is to ascertain whether the application demonstrates compliance with airport regulations and minimum standards. Therefore, the primary role of the Manager when conducting a SASO compliance review is to verify compliance. This is done by reviewing all pertinent information and reports required by the standards. The verification process is critical; if the airport is challenged for granting permission to operate as a SASO for reasons beyond and additional to the minimum standards, the airport needs a public record on which to justify why it did so.

The Applicant, Elemental Aviation Limited Company (“Elemental”), is identified as an authorized distributor of Pipistrel Aircraft, a Cessna Authorized Service Facility for Piston aircraft, and a Beechcraft Authorized service facility for Piston Aircraft.

The Applicant is currently operating under an authorized specialized commercial services agreement to conduct its operations at the Heber Valley Airport. The acronym for this type of Operator is SASO, Specialized Aviation Service Operator. Specifically, such SASO's are businesses that provide specific aviation support, maintenance, flight instruction, avionics etc.

The Applicant wishes to expand its commercial activities. The Applicant proposes to function as an Operator in the following three designations:

1. An **Aircraft Maintenance Operator** pursuant to Section 4 of the Commercial Minimum Standards
2. An **Aircraft Rental and Flight Training Operator** pursuant to Section 5 of the Commercial Minimum Standards
3. A **Commercial Hangar Operator** pursuant to Section 12 of the Commercial Minimum Standards

This Applicant has affirmed that he is **not** applying to become an FBO.

The Applicant is the exclusive authorized Pipistrel distributor for the Western United States. The parent company, Pipistrel Aircraft, is a provider of electric and piston-powered small aircraft located in Italy and Slovenia.

Having expanded its hangar square footage and obtained public access parking, the Applicant now seeks this expansion and approval for a SASO. The Rules and Regulations, Minimum Standards, and some City general regulations govern the manner in which, and the requirements for participating and offering such services.

This agenda item is for the purpose of reviewing and recommending expanded SASO services to City Council.

RECOMMENDATION

Upon initial review, prior to issuing a final recommendation, there remain items that require further verification and discussion. It is for this purpose that the Application is brought to the AAB for review and recommendation. With feedback from the AAB, Staff can better proceed to a final review and determination.

BACKGROUND

On March 15, 2017, Jason Talley assumed the ground lease for Horseshoe Hanger 6B at HVA under the name of Edgewood Capital LLC. Previously, a temporary permit to conduct a limited commercial activity had been granted. In April 2024, the ground lease was amended to allow for an annual limited commercial activity permit.

Specific permitted commercial activities for the Applicant currently include:

Storage of aviation-related equipment;

Non-aviation storage as an incidental use on the condition the space is principally used for aviation purposes;

Distribution of small aircraft with re-assembly and maintenance services, including necessary activities to obtain airworthiness certification of such aircraft;

Electric aircraft maintenance;

Research and development of electric propulsion systems and advanced avionics; and

Providing educational opportunities for local schools.

An Application has been received by the Manager, seeking to expand the Applicant's current specialized commercial services activities, including, but not limited to, allowing the Applicant to repair and maintain, and work on any aircraft that its facilities at the Airport would allow, subject to all FAA and Airport Rules and Regulations, and Minimum Standards requirements.

The Manager has reviewed the Application for compliance with the Airport requirements. The following is an outline of this Application's completeness process and status.

Date	Action
10/30/2025	Application Received
11/3/2025	Start Review for Completeness
11/3/2025	Informed Applicant that SASO Application is under review, commit to follow up in 7-10 days
11/3/2025	Applicant acknowledged we have started reviewing applications against min. standards
11/5/2025	Clarification on scope of application, NOT applying for FBO

11/12/2025 Follow up to Applicant on status of review, let him know that I need to review with management w/ my findings as I am in training

11/12/2025 Confirmed expansion of current activities, no additional leasing activity is required

11/18/2025 Turned over/ Reviewed SASO application completeness review notes with management

11/18/2025 Update to Applicant that initial review is complete and provided him a list of what is still needed

11/18/2025 Received Insurance Policies and Certifications requested

11/24/2025 Insurance Policies reviewed and added to application docs

11/24/2025 A few more follow up questions sent to Applicant to end the completeness review

11/24/2025 Response from Applicant on follow ups - ready to turn over to the AAB / Staff Report

DISCUSSION

After the initial completeness review, a compliance review was commenced. Although many of the compliance requirements included in the airport minimum standards have been verified, there remain several outstanding items.

Staff conducted a completeness review of the SASO Application (see attached SASO Application Review). During the completeness review, pursuant to several standards, the Applicant assures compliance with the standards, but the Application itself does not provide sufficient explanation to demonstrate how compliance will be obtained. For example, the Application represents activities will include customer and administrative areas as required by the Minimum Standards, but does not adequately explain compliance. There are no specifics as to where the public facilities will be located, nor data or depictions to determine how they will be adequately sized and accessed.

Specifically, pursuant to certification requirements of Sections 4.2.1 or 5.2.1, each requiring “adequate apron, facilities, and vehicle parking (all located within close proximity) to accommodate all activities of the Operator,” pursuant to those requirements, the Application still needs to provide sufficient depictions to allow staff to evaluate compliance. Staff is unable to complete the evaluation until the location of the apron, facilities, and vehicle parking are documented and depicted. If these services are all on the Applicant's leased area near its horseshoe hanger (not clear because the application vaguely represents it is the owner of “multiple hangars”), is that enough to adequately accommodate all the activities the Applicant plans to conduct? The Applicant is proposing various activities to be conducted in the same space. The minimum standards require adequate documentation depicting appropriate accommodations to justify a favorable recommendation.

Due to the SASO request for said various activities, it is imperative that the Manager be able to demonstrate how the available areas dedicated to these activities are adequate. For example, what areas and locations have been designated for tie-downs; would they be appropriate given the number of anticipated aircraft and activities? Additionally, is there adequate administrative space for maintenance activities as per Section 4.2.1.2.2. These items need to be verified.

Currently, there is no documentation that verifies which of the 8 listed aircraft will be based at the Airport.

There is a parking requirement found in Chapter 18.72 of the Heber City zoning code. A depiction, with proper measurements demonstrating compliance, is needed for verification.

As of the date of this staff report, Elemental Aviation has paid its \$2,000 Annual Commercial

Aeronautical Permit Fee. If granted a SASO, Elemental Aviation will be required to pay a 1% Special Aeronautical Services Operator Fee, which is required to be verified by review of financial records sufficient to demonstrate the amount that the percentage is derived from.

If approved, the Applicant will need to obtain a Heber City business license. In the business license application, the Applicant would need to specify the type of avionics, the type of aircraft to be serviced, and the kind of maintenance and repair services, along with a detailed scope of said intended services.

Section 4 defines, specifies, and details the permitted activities of an Aircraft Maintenance Operator, and articulates additional requirements for other sections that may apply, as a result of specified SASO activities. Square foot requirements are contingent upon specific aeronautical activities.

Regarding the request to become an "Aircraft Maintenance Operator", the Applicant seeks to maintain and service any aircraft that it is capable of housing in its Hangars. The Applicant is the owner of three hangars. Between these three hangars, he has approximately 12,000 square feet of hangar space. One of these hangars has street-side access, which is represented to include 3,000 square feet of office space with customer facilities, a classroom, a customer lounge, accessible restrooms, customizable space, and approximately 10,000 square feet of apron and/or vehicular parking. These facilities and the square footage areas mentioned are relevant in determining compliance with Heber City parking standards, and Airport Minimum Standards 4.2.1 and 4.2.1.3.

Section 5 is specific to Aircraft Rental, Flying Club, or Flight Training. The Applicant has specified that it will operate as an Aircraft Rental and Flight Training Operator.

Section 12 is specific to requirements for a Commercial Hangar Operator. This Section also references the requirement to comply with Section 11, and Section 2, depending upon the total square footage.

Section 12 gives a definition of a Commercial Hangar Operator and outlines additional general requirements; addresses the scope of activities and summarizes what the Operator is permitted to do with the Hangar.

Additionally, in the **Rules and Regulations**, Section 12, requires applicants to provide the proposed date of commencement of the activities and the terms of conducting the same, 12.2.1.3; and a detailed description of the scope of the intended operation, 12.2.1.4.

The above items represent some areas where further clarification would assist in a transparent review and analysis of the Application to determine compliance with the initial application requirements. This would assist and allow Staff to better evaluate.

FISCAL IMPACT

When approved, the SASO operations will generate additional airport revenues, including an annual 1% Special Service Operator Fee. There is no financial impact or risk to the City. The Application has provided the Airport with a permit fee. There will also be fees associated with business licensing and additional fees associated with the rates, fees, and charges schedule.

CONCLUSION

Subject to AAB findings, compliance with airport minimum standards, proof of insurance, and submission of required certifications and documentation, it is anticipated that the SASO Application will move forward for final review and consideration by the City.

ALTERNATIVES

Staff Recommended Option - Approval

I move to recommend the Elemental Aviation SASO Application be considered for final review by the City
or with the following changes

Alternatively:

Move to recommend postponing the application's consideration until further review by staff

Alternative 2 - Continuance

I move to **continue the item** to a future meeting, with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 3 - DENIAL

I move to **deny** the Elemental Aviation SASO Application

POTENTIAL MOTIONS

ACCOUNTABILITY

Department: Airport
Staff member: Travis Biggs, Airport Director

EXHIBITS

1. Elemental Aviation SASO Application 10.30.25 rb
2. Elemental Aviation_SASO Application Review
3. SASO Documents filed with Heber City include the following

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

This application is a request to Heber City to utilize the Heber Valley Airport land or facilities for commercial activities, to issue a commercial aeronautical activities permit, or to issue any other permit to conduct commercial activities.

To familiarize the applicant to Heber Valley Airport SASO requirements, a copy of the *Heber City Airport Minimum Standards* (dated June 16, 2016) is attached to this application. Please refer to this document to ensure a complete and accurate application.

PART 1: Applicant Information

Operator/Business Name: Elemental Aviation Limited Company

Contact Name: Jason Talley

Contact Phone: 949-370-8950

Address: 158 W 1780 S

City: Heber City

State: UT

Zip: 84032

Email: jason@elemental.aero

Type of Operation being applied (check one):

- Fixed Base Operator (FBO)
- Aircraft Maintenance Operator, Avionics, Instruments or Aircraft Accessory overhaul/Repair Maintenance Operator
- Aircraft Rental, Flying Club, or Flight Training Operator
- Aircraft Charter or Aircraft Management Operator
- Aircraft Sales Operator
- Specialized Commercial Aeronautical Operator
- Commercial Hot Air Balloon Operator
- Temporary Specialized Aviation Service Operator
- Commercial Hangar Developer
- Commercial Hangar Operator

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

- Non-commercial Self-Service Fueling Permittee
- Commercial Activity Permit
- Other (please specify):

PART 2: Applicant Proposal

Summary of services applicant shall offer:

Applicant is an authorized Distributor of Pipistrel Aircraft, a Cessna Authorized Service Facility for Piston aircraft, a Beechcraft Authorized service facility for Piston Aircraft, a Garmin Authorized Sales and Service Facility, and owns and operates a FAA Part 141 Flight School (located in another geographic area). Applicant wishes to expand its permitted commercial activities to include being an Aircraft Maintenance Operator (today we are only permitted to work on small aircraft) pursuant to Section 4 of the Commercial Minimum Standards, Aircraft Rental and Flight Training Operator pursuant to Section 5 of the Commercial Minimum Standards, and Commercial Hangar Operator pursuant to Section 12 of the Commercial Minimum Standards.

Detailed description of scope of intended operation – include means and methods to be employed to accomplish contemplated services. Attach additional pages if necessary:

Applicant Elemental Aviation Limited Company (“Elemental”) is the exclusive authorized Pipistrel distributor for the Western United States. Pipistrel Aircraft is a leading provider of electric and piston powered small aircraft located in Italy and Slovenia.

Applicant is currently operating under a specialized commercial services authorization approved by the Heber City Council to conduct its operations. Pursuant to the commercial minimum standards, Applicant wishes to expand it allowed multiple commercial activities:

Aircraft Rental and Flight Training Operator

Aircraft Maintenance Operator

Commercial Hangar Operator

Applicant is compliant with the minimum standards as required for the above three uses.

Applicant has common beneficial ownership (as a subsidiary) as the owner of multiple hangars, has access to approximately 12,000 square feet of street side accessible hangar space, 3,000 square feet of office space (which includes customer facilities, classroom, customer lounge, accessible restrooms, and customizable space), approximately 10,000 square feet of apron and/or vehicular parking.

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

Applicant complies with the requirements of the commercial minimum standards for each of these activities and will fill a needed void at the Heber City Airport for some of these activities as well as offer competition to other commercial operators at the Airport.

Pursuant to the Commercial Minimum Standards, the applicant denotes the applicable section and compliance below:

Aircraft Maintenance Operator

Applicant complies with 4.2.1.1

Applicant complies with 4.2.12

Applicant complies with 4.2.1.3

Applicant complies with 4.4.1

Applicant complies with 4.5.1 (Heber City is already named on existing policies from Applicant for its current commercial activities)

Aircraft Rental and Flight Training Operator

Applicant complies with 5.2.1.1.1

Applicant complies with 5.2.1.2

Applicant complies with 5.4.1

Applicant complies with 5.5.1

Applicant complies with 5.6.1

Applicant complies with 5.7.1 (normal hours of operation are 8AM-5PM)

Applicant complies with 5.9.1 and will comply with 5.9.2 after approval of this application

Commercial Hangar Operator

Applicant complies with Section 12.1

Applicant complies with 12.3

Applicant complies with 12.4

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

PART 2: Applicant Proposal (continued)

Proposed date of commencement of the activity and term: January 1, 2026

Proposed hours of operation: 8AM – 5PM M-F

Amount and type of insurance coverage applicant will maintain:

\$5,000,000 General Liability, \$2,000,000 in Products Liability, \$1,000,000 liability (minimum) for all aircraft with \$100,000 passenger liability (minimum), \$1,000,000 vehicular liability.

Number of aircraft involved (type and tail numbers, if applicable):

At the time of application, applicant has 6 Pipistrel Aircraft, 1 American Champion Aircraft, and 1 Cessna aircraft it intends to utilize. Such aircraft are subject to change, but all aircraft utilized are properly registered with the State of Utah Department of Aeronautics.

Number of employees and qualifications (if applicable):

Jason Talley, CEO, ATP Pilot, CFI

Kagen Nelson, CFI

Jake Perkins, Mechanic

Buzz Hendrickson and Walker New - CSR

Evidence of applicant's financial capability to perform and provide proposed services and facilities (attach additional pages if necessary):

Applicant will provide necessary evidence upon request.

Proposed leasing activities (check one):

- Undeveloped land
- Developed land
- Existing hangars

SPECIALIZED AVIATION SERVICE OPERATOR (SASO) APPLICATION

- Other (please explain):

PART 2: Applicant Proposal (continued)

Amount and location of land applicant desires to lease (if applicable):


Not Applicable

Location of the building(s) to be leased (if applicable):

Pre-existing leased premises, 158 W 1780 S, Heber City UT 84032

Size and location of building(s) to be constructed (if applicable):

Not Applicable



Applicant Signature

10/30/2025

Date (mm/dd/yyyy)

AIRCRAFT MAINTENANCE OPERATOR, AVIONICS, INSTRUMENTS or AIRCRAFT ASSESSORY OVERHAUL/ REPAIR MAINTENANCE OVERHAUL OPERATORS

FORM	<p>A commercial operator authorized to perform maintenance services on aircraft they do not own or operate. This includes offering repairs, overhauls, and maintenance for airframes, engines, avionics, instruments, and accessories. The operator may also sell parts and accessories related to these services. This type of SASO must comply with both the general requirements for all operators and specific minimum standards for facilities, certifications, and insurance as outlined in the airport’s minimum standards document.</p>
4.1.1	<p>An Aircraft Maintenance Operator, Avionics, Instruments, or Aircraft Assesory Overhaul/Repair Maintenance Overhaul Operator (SASO) is a Commercial Operator engaged in providing aircraft maintenance for aircraft other than those owned or operated by the Operator, which includes the sale of aircraft parts and accessories.</p>
4.1.2	<p>In addition to the General Requirements set forth in Section 2, each Aircraft Maintenance Operator, Avionics, Instruments, or Aircraft Assesory Overhaul/Repair Maintenance Overhaul Operator (SASO) at the Airport shall comply with the following minimum standards set forth in this Section 4. An FBO shall comply with the minimum standards set forth in Section 3, Fixed Base Operator.</p>

Application Information:

Applicant/Company Name: Elemental Aviation Limited Company
Contact Name: Jason Talley
Contact Phone: 949-370-8950
Address: 158 W 1780 S
City: Heber
State: Utah
Zip: 84032
Email: jason@elemental.aero
Business License/Registration: Applied for License 11/18/2025 - currently in review

Description of Services Offered:

Please provide an overview of the services your business intends to offer and share details about your company.
 Applicant is an authorized Distributor of Pipistrel Aircraft, a Cessna Authorized Service Facility for Piston aircraft, a Beechcraft Authorized service facility for Piston Aircraft, a Garmin Authorized Sales and Service Facility, and owns and operates a FAA Part 141 Flight School (located in another geographic area). **Applicant wishes to expand its permitted commercial activities to include being an Aircraft Maintenance Operator** (today we are only permitted to work on small aircraft) pursuant to Section 4 of the Commercial Minimum Standards, Aircraft Rental and Flight Training Operator pursuant to Section 5 of the Commercial Minimum Standards, and Commercial Hangar Operator pursuant to Section 12 of the Commercial Minimum Standards.

Applicant Elemental Aviation Limited Company (“Elemental”) is the exclusive authorized Pipistrel distributor for the Western United States. Pipistrel Aircraft is a leading provider of electric and piston powered small aircraft located in Italy and Slovenia.

Applicant is currently operating under a specialized commercial services authorizalon approved by the Heber City Council to conduct its operations. Pursuant to the commercial minimum standards, Applicant wishes to expand it allowed mulple commercial activities:

- 1) Aircraft Rental and Flight Training Operator
- 2) Aircraft Maintenance Operator
- 3) Commercial Hangar Operator

Applicant is compliant with the minimum standards as required for the above three uses.

Applicant has common beneficial ownership (as a subsidiary) as the owner of multiple hangars, has access to approximately 12,000 square feet of street side accessible hangar space, 3,000 square feet of office space (which includes customer facililes, classroom, customer lounge, accessible restrooms, and customizable space), approximately 10,000 square feet of apron and/or vehicular parking.

Specify type of maintenance, avionics, or repair services. Add a detailed description of scope of intended operation including means & methods to be employed to accomplish contemplated services.

Proposed Date of commencement of activity & term: As soon as the application is approved
Proposed Hours of Operation: 8:00 - 5:00 Monday Through Friday
Proof of Certifications: COI for Hangar and Aircraft recieved, as well as the certifications required by the FAA

Provide Copies of FAA Certifications and ratings for personnel

- Airframe & Powerplant (A&P) Mechanic Certificate** required for maintenance or repair of aircraft structures, engines, or systems.
- Inspection Authorization (IA)** required for mechanics performing major repairs, alterations, or returning aircraft to service after an annual or progressive inspection. (IA mechanics can approve and sign off on repairs or alterations requiring FAA Form 337)
- Repairman Certificate** required for employees performing specialized repairs under a Part 145 Repair Station

Insurance

<input checked="" type="checkbox"/>	Proof Of Insurance for the following aircraft					
	Type of Airplanes	<i>Pipistrel Aircraft</i>	Tail #:	N356EA	N346EA	N376EA
		<i>American Champion Aircraft</i>	Tail #:	N481DM		
		<i>Cessna Aircraft</i>	Tail #:	N76JT		

Facilities and Parking

- Hangar #** We haven't formalized the name for the new Hangar yet, but we refer to it as "Elemental Base". The address is 158 W 1780 S however.
- Do the facilities and parking meet the requirements listed in section 5.2/5.3 of the Minimum Standards?
- If the leased premises include any assets or property beyond the hangar, please provide a detailed description and explanation.

Proof of Gross Sales

For 2025 we paid the commercial aeronautical fee of \$2,000, even though the revenue derived from operations here was substantially less than what was required for that amount. We wanted to help out as much as we could for operations.
[Fee Schedule Link](#)

Airport Minimum Standards Section 4

- 4.1.1 An Aircraft Maintenance Operator, Avionics, Instruments, or Aircraft Assesory Overhaul/Repair Maintenance Overhaul Operator (SASO) is a Commercial Operator engaged in providing aircraft maintenance for aircraft other than those owned or operated by the Operator, which includes the sale of aircraft parts and accessories.
- 4.1.2 In addition to the General Requirements set forth in Section 2, each Aircraft Maintenance Operator, Avionics, Instruments, or Aircraft Assesory Overhaul/Repair Maintenance Overhaul Operator (SASO) at the Airport shall comply with the following minimum standards set forth in this Section 4. An FBO shall comply with the minimum standards set forth in Section 3, Fixed Base Operator.
- 4.2.1 An Operator engaging in this activity as well as other activities or an authorized Sublessee engaging in this activity shall have adequate apron, facilities, and vehicle parking (all located within close proximity) to accommodate all activities of the Operator, but not less than 5600 square feet and shall have appropriate restrooms, parking and customer access.
- 4.2.1.1 Apron shall be adequate to accommodate the movement of aircraft into and out of the hangar and parking of customer aircraft.
- 4.2.1.2 Facilities shall include customer, administrative, maintenance, and hangar areas.
- 4.2.1.2.1 Customer area: Operator's customers shall have immediate access to customer lounge(s), and restrooms.
- 4.2.1.2.2 Administrative area shall be dedicated to the provision of aircraft maintenance and shall include adequate space for employee offices, work areas, and storage.
- 4.2.1.2.3 Maintenance area shall include adequate space for employee work areas, shop areas, and storage.
- 4.2.1.3 [Vehicle Parking – Per Heber City Municipal Code, Chapter 18.72 Parking Standards.](#)
- 4.3.1 An Operator other than an authorized Sublessee engaging in this activity shall have adequate land, apron, facilities, and vehicle parking to accommodate all activities of the Operator and all approved Sublessees, but not less 5600 square feet and shall have appropriate restrooms, parking and customer access. 5600 square feet and shall have appropriate restrooms, parking and customer access.
- 4.3.1.1 All required improvements including, but not limited to, apron, vehicle parking, roadway access, landscaping, and all facilities shall be located on contiguous land.
- 4.3.1.2 Apron area shall be equal to the hangar square footage or adequate to accommodate the movement of aircraft into and out of the hangar, staging, and parking of customer aircraft, whichever is greater.
- 4.3.1.3 Facilities shall include customer, administrative, maintenance, and hangar areas.
- 4.3.1.3.1 Customer area shall include adequate space for customer lounge(s), and restrooms.
- 4.3.1.3.2 Administrative area shall include adequate space for employee offices, work areas, and storage.
- 4.3.1.3.3 Maintenance area shall include adequate space for employee work areas, shop areas, and storage.
- 4.3.1.4 [Vehicle Parking – Per Heber City Municipal Code, Chapter 18.72 Parking Standards.](#)
- 4.4.1 All Operators' personnel shall be properly certificated by the FAA, current, and hold the appropriate ratings for the work being performed and be in compliance with all FAA regulations pertaining to aircraft maintenance.
- 4.5.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance Requirements.

5.2 Leased Premises (Sublessee or Multiple Activities)

- 5.2.1.1 An Operator engaging in this activity as well as other activities or an authorized Sublessee engaging in this activity shall have adequate apron, facilities, and vehicle parking (all located within close proximity) to accommodate all activities of the Operator, but not less than the following:
- 5.2.1.1.1 Apron/paved tiedowns shall be adequate to accommodate the total number of aircraft in Operator's fleet at the Airport. Some of the spaces may be leased from the FBO or the City.
- 5.2.1.2 If Operator utilizes a hangar for the storage of Operator's fleet at the Airport, paved tiedowns are not required.
- 5.2.1.2.1 Facilities shall include customer and administrative areas that are curbside accessible. Maintenance and hangar areas are required if Operator is conducting aircraft maintenance on aircraft owned and/or operated by perator.
- 5.2.1.2.2 Customer area shall include adequate space for class/training rooms. Operator's customers shall have immediate access to customer lounge(s), and restrooms.
- 5.2.1.2.3 Administrative area shall include adequate space for employee offices, work areas, and storage.
- 5.2.1.2.4 Maintenance area, if required, shall be at least 500 square feet to include adequate space for employee work areas, shop areas, and storage.
- 5.2.1.3 Hangar area, if required, shall be large enough to accommodate the largest aircraft in Operator's fleet at the Airport maintained by Operator.

5.3 Leased Premises (Lessee)

- ✓ 5.3.1.1 An Operator other than an authorized Sublessee engaging in this activity shall have adequate land, apron, facilities, and vehicle parking to accommodate all activities of the Operator and all approved Sublessee(s), but not less than the following:
- ✓ 5.3.1.1.1 The City Council on a case-by-case basis will determine what minimum parcel size will be required of a business. Apron/paved tiedowns shall be adequate to accommodate the total number of aircraft in Operator's fleet at the Airport
- ✓ 5.3.1.1.2 If Operator constructs or has a hangar, apron shall be equal to the hangar square footage or an amount adequate to accommodate the movement of aircraft into and out of the hangar, staging, and parking of Operator's aircraft, whichever is greater.
- ✓ 5.3.1.2 Facilities shall include customer and administrative areas that are curbside accessible. Maintenance and hangar areas are required if Operator is conducting aircraft maintenance on aircraft owned and/or operated by operator.
- ✓ 5.3.1.2.1 Customer area shall include adequate space for customer lounge(s), class/training rooms, and restrooms.
- ✓ 5.3.1.2.2 Administrative area shall include adequate space for employee offices, work areas, and storage.
- ✓ 5.3.1.2.3 Maintenance area, if required, shall be at least 500 square feet to include adequate space for employee work areas, shop areas, and storage.
- ✓ 5.3.1.2.4 Hangar area, if required, shall be at least 2,500 square feet or large enough to accommodate the largest aircraft in Operator's fleet at the Airport at the Airport maintained by Operator, whichever is greater.
- ✓ 5.3.1.3 [Vehicle Parking – Per Heber City Municipal Code, Chapter 18.72 Parking Standards.](#)

Airport Minimum Standards Section 2

- ✓ 2.1.1 Operator shall, in the sole judgment of the City Council, demonstrate the capability of providing high quality products, services, and facilities and engaging in activities in a professional manner.
- ✓ 2.1.2 Operator shall, in the sole judgment of the City Council, demonstrate the financial responsibility and capability to develop and maintain improvements; procure and maintain required vehicles, equipment, and/or aircraft; employ personnel, and engage in the activity.
- ✓ 2.2.1 No entity shall engage in an activity unless the entity has an agreement with the City authorizing such activity or the entity has received approval from the City Council to sublease land or improvements from an authorized Operator and conduct the activity at the Airport.
- ✓ 2.2.2 An agreement shall not reduce or limit Operator's obligations with respect to these Minimum Standards. 2.2.3. Operator shall comply with all the provisions of the agreement between Operator and the City
- ✓ 2.3.1 Operator shall pay the rents, fees, or other charges specified by the City for leasing or using land or improvements or engaging in activities.
- ✓ 2.3.1.1 Fee schedule is available at the Airport Manager's office or City Offices
- ✓ 2.3.2 No Operator shall be permitted to engage in activities unless said Operator is current in the payment of all rents, fees, charges, or other sums due to the Heber City under any and all agreements Operator has with the City.
- ✓ 2.3.3 Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to the City shall be grounds for revocation of the agreement or approval authorizing the occupancy or use of land or improvements or the conduct of activities at the Airport.
- ✓ 2.4.1 Operator shall lease or sublease sufficient land and lease, sublease, or construct sufficient improvements for the activity as stated in these Minimum Standards.
- ✓ 2.4.1.1 Leased premises that are used for commercial purposes and require public access shall have direct public streetside access.
- ✓ 2.4.2 Operators providing rotary wing aircraft parking must follow AC150/5390-2B in the design of the apron to be utilized for rotary wing aircraft parking.
- ✓ 2.5.1 Operator shall maintain the leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, and security lighting) in a neat, safe, and orderly condition
- ✓ 2.5.2 Operator shall provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, and any related services necessary to maintain the improvements in good condition, normal wear and tear excepted.
- ✓ 2.5.3 Operator shall replace in like kind any property damaged by its employees, patrons, subtenants, contractors, et al, or Operator's activities.
- ✓ 2.6.1 Products, services, and facilities shall be provided on a reasonable, and not unjustly discriminatory, basis to all consumers and users of the Airport.
- ✓ 2.6.2 Operator shall charge reasonable, and not unjustly discriminatory, prices for each product or service, provided that, Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- ✓ 2.6.3 Operator shall conduct its activities on and from the leased premises in a safe, efficient, and first class professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities and engaging in related activities from similar leaseholds in like markets.
- ✓ 2.7.1 Operator shall not discriminate against any person or class of persons by reason of race, creed, color, national origin, sex, age, disability, or physical handicap in providing any products or services or in the use of any of its facilities provided for the public, or in any manner prohibited by applicable regulatory measures including without limitation Part 21 of the Rules and Regulations of the office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended or reenacted.
- ✓ 2.8.1 Operator and Operator's personnel shall obtain and comply with, at Operator's sole expense, all necessary licenses, permits, certifications, or ratings required for the conduct of Operator's activities at the Airport as required by the Airport Advisory Board or any other duly authorized agency prior to engaging in any activity at the Airport. Operator shall provide copies of such licenses, permits, certifications, or ratings to the City.
- ✓ 2.9.1 Operator shall have in its employ, on duty, and on premises during operating hours, trained and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each activity being conducted in a safe and efficient manner

- 2.9.2 Operator shall provide a person to supervise activities and such person shall be authorized to represent and act for and on behalf of Operator during all hours of activities. When such person is not on the leased premises, such individual shall be immediately available by telephone or pager.
- 2.10.1 Operator shall designate a responsible person for the coordination of all security communications and procedures.
- 2.10.2 Operator shall develop and maintain a security plan.
- 2.11.1 Operator shall procure and maintain, during the term of an agreement, insurance policies required by law and the types and minimum limits set forth in Attachment A of these Minimum Standards for each activity. The insurance company or companies underwriting the required policies shall be licensed or authorized to write such insurance in the State of Utah.
- 2.11.1.1 When coverages or limits set forth in these Minimum Standards are not commercially available, appropriate replacement coverages or limits must be approved by the City
- 2.11.2 When Operator engages in more than one (1) activity, the minimum limits shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative in all instances. It shall not be necessary for Operator to carry insurance policies for the combined total of the minimum requirements of each activity. However, Operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum
- 2.11.3 All insurance, which Operator is required by the City to carry and keep in force, shall name Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as additional insured.
- 2.11.4 Liability policies shall contain, or be endorsed to contain, the following provisions:
 - 2.11.4.1 "Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of Operator, products and services of Operator, premises owned, leased, occupied, or used by Operator, or vehicles, equipment, or aircraft owned, leased, hired, or borrowed by Operator. Any insurance or self-insurance maintained by Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers shall be in excess of Operator's and shall not contribute with it."
 - 2.11.4.2 "Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers. Operator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability."
 - 2.11.4.3 "Coverage shall not be suspended, voided, or cancelled by either party or reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to Heber City."
- 2.11.5 Certificates of Insurance for the insurance required by law and set forth by these Minimum Standards for each activity shall be delivered to the Airport Manager upon execution of any agreement or approval. Operator shall furnish additional Certificates of Insurance 30 days prior to any changes in coverage, if the change results in a reduction. Current proof of insurance shall be continually provided to the Airport Manager throughout the term of the agreement or shall be made available at Airport Manager's request.
- 2.11.6 The limits stipulated herein for each activity represent the minimum coverage and policy limits that shall be maintained by the Operator to engage in activities at the Airport. Operators are encouraged to secure higher policy limits.
- 2.11.7 Any self-insured Operator shall furnish evidence of such self-insurance and shall hold Heber City, Heber City Airport, and the Heber City Council harmless in the event of any claims or litigation arising out of its activities at the Airport. Such evidence shall be reviewed and approved in writing by the City.
- 2.11.8 Operator shall, at its sole expense, cause all facilities and improvements on the leased premises to be kept insured to the full insurable value (current replacement cost with no depreciation) thereof against the perils of fire, lightning, wind, hail, earthquake, extended coverage, and/or vandalism. The proceeds of any such insurance paid on account for any of the aforementioned perils, shall be used to defray the cost of repairing, restoring, or reconstructing said facilities or improvements to the condition and location existing prior to the casualty causing the damage or destruction, unless a change in design or location is approved in writing by the Airport Advisory Board.
- 2.12.1 Operator shall defend, indemnify, save, protect, and hold harmless Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's actions or inaction. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with Utah principles of comparative fault.
- 2.12.2 The Operator shall indemnify and hold harmless the Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its employees, its vendors or any other personnel used by the Operator to maintain Operator's facilities, vehicles, equipment, or aircraft.
- 2.12.3 Nothing herein shall constitute a waiver of any protection available to the City, its representatives, officers, officials, employees, agents, and volunteers under the Utah governmental immunity act or similar statutory provision.
- 2.13.1 Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized agency.
- 2.14.1 When more than one (1) activity is conducted, the minimum requirements shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative.

AIRCRAFT RENTAL & FLIGHT TRAINING OPERATOR

FORM An Aircraft Rental, Flying Club, or Flight Training Operator (SASO) is a commercial entity that offers aircraft for rent, operates a flying club with aircraft access for members, or provides flight training services to the public. This includes flight and ground instruction for pilot certification. Each type of operator must comply with minimum standards for facilities, personnel certifications, insurance, and operational requirements as specified in the airport's guidelines.

5.1.1 An Aircraft Rental Operator is a Commercial Operator engaged in the rental of aircraft to the general public. It shall not include an aircraft owner who loans his or her aircraft for reimbursement on a nonprofit basis.

5.1.2 A Flying Club Operator is Commercial Operator engaged in owning aircraft and making such aircraft available for use by its members where membership is available to the general public.

Application Information:

Applicant/Company Name: Elemental Aviation Limited Company

Contact Name: Jason Talley

Contact Phone: 949-370-8950

Address: 158 W 1780 S

City: Heber

State: Utah

Zip: 84032

Email: jason@elemental.aero

Business License/Registration: Applied for License 11/18/2025 - currently in review

Description of Services Offered:

Please provide an overview of the services your business intends to offer and share details about your company.

Applicant is an authorized Distributor of Pipistrel Aircraft, a Cessna Authorized Service Facility for Piston aircraft, a Beechcraft Authorized service facility for Piston Aircraft, a Garmin Authorized Sales and Service Facility, and owns and operates a FAA Part 141 Flight School (located in another geographic area). Applicant wishes to expand its permitted commercial activities to include being an Aircraft Maintenance Operator (today we are only permitted to work on small aircraft) pursuant to Section 4 of the Commercial Minimum Standards, Aircraft Rental and Flight Training Operator pursuant to Section 5 of the Commercial Minimum Standards, and Commercial Hangar Operator pursuant to Section 12 of the Commercial Minimum Standards.

Applicant Elemental Avialon Limited Company ("Elemental") is the exclusive authorized Pipistrel distributor for the Western United States. Pipistrel Airca6 is a leading provider of electric and piston powered small airca6 located in Italy and Slovenia.

Applicant is currently operating under a specialized commercial services authorization approved by the Heber City Council to conduct its operations. Pursuant to the commercial minimum standards, Applicant wishes to expand it allowed multiple commercial activities:

- 1) Aircraft Rental and Flight Training Operator
- 2) Aircraft Maintenance Operator
- 3) Commercial Hangar Operator

Applicant is compliant with the minimum standards as required for the above three uses.

Applicant has common beneficial ownership (as a subsidiary) as the owner of multiple hangars, has access to approximately 12,000 square feet of street side accessible hangar space, 3,000 square feet of office space (which includes customer facilities, classroom, customer lounge, accessible restrooms, and customizable space), approximately 10,000 square feet of apron and/or vehicular parking.

Specify type of maintenance, avionics, or repair services. Add a detailed description of scope of intended operation including means & methods to be employed to accomplish contemplated services.

Business License Application should explain these details

Proposed Date of commencement of activity & term: As soon as the application is approved

Proposed Hours of Operation: 8:00 - 5:00 Monday Through Friday

Proof of Certifications: Provided

Provide Copies of Certifications

FAA certifications for instructors and proficiency check providers

1. **Certified Flight Instructor Certificate** (CFI, CFII, or MEI) required for providing flight instruction to students seeking FAA pilot certificates or ratings.
2. **Ground Instructor Certificate** (BGI, AGI, or IGI) required for ground training sessions but not flight training.
3. **Sport Pilot Instructor** (SPI) required to provide training for sport pilot certificates.
4. **Proficiency Check Provider** (CFI/CFII, DPE, or Check Airman) Appropriate for flight reviews or instrument checks
we do not employ a DPE today, although I am hopeful that may change in the future. I am a CFI, CFII, MEI, and CFI-G.

Insurance

Proof Of Insurance for the following aircraft

Type of Airplanes

Pipistrel Aircraft

Tail #:

N356EA N346EA N376EA

American Champion Aircraft

Tail #:

N481DM

Cessna Aircraft

Tail #:

N76JT

Facilities and Parking

Hangar # We haven't formalized the name for the new Hangar yet, but we refer to it as "Elemental Base". The address is 158 W 1780 S however.

Do the facilities and parking meet the requirements listed in section 5.2/5.3 of the Minimum Standards?

- If the leased premises include any assets or property beyond the hangar, please provide a detailed description and explanation.

Proof of Gross Sales

- For 2025 we paid the commercial aeronautical fee of \$2,000, even though the revenue derived from operations here was substantially less than what was required for that amount. We wanted to help out as much as we could for operations.
[Fee Schedule Link](#)

Airport Minimum Standards Section 5

<input checked="" type="checkbox"/>	5.1.1	An Aircraft Rental Operator is a Commercial Operator engaged in the rental of aircraft to the general public. It shall not include an aircraft owner who loans his or her aircraft for reimbursement on a nonprofit basis.
<input checked="" type="checkbox"/>	5.1.2	A Flying Club Operator is Commercial Operator engaged in owning aircraft and making such aircraft available for use by its members where membership is available to the general public.
<input checked="" type="checkbox"/>	5.1.3	A Flight Training Operator is a Commercial Operator engaged in providing flight instruction to the general public and/or providing such related ground school instruction as is necessary to take the written examination and flight check for the category or categories of pilots' licenses and ratings involved.
N/A	5.1.4	A Private Flying Club is an entity that is legally formed as a non-profit entity with the state of Utah, operates on a non-profit basis (so as not to receive revenues greater than the costs to operate, maintain, acquire and/or replace Flying Club aircraft), and restricts membership from the general public (i.e., does not advertise its membership availability to the general public).
<input checked="" type="checkbox"/>	5.1.5	In addition to the General Requirements set forth in Section 2, each Aircraft Rental, Flying Club, or Flight Training Operator at the Airport shall comply with the following minimum standards set forth in this Section5.
<input checked="" type="checkbox"/>	5.1.6	Curbside Accessible in all public areas on the Airport not requiring access through an access gate
<input checked="" type="checkbox"/>	5.2.1	An Operator engaging in this activity as well as other activities or an authorized Sublessee engaging in this activity shall have adequate apron, facilities, and vehicle parking (all located within close proximity) to accommodate all activities of the Operator, but not less than the following:
<input checked="" type="checkbox"/>	5.2.1.1	Apron/paved tie-downs shall be adequate to accommodate the total number of aircraft in Operator's fleet at the Airport. Some of the spaces may be leased from the FBO or the City.
<input checked="" type="checkbox"/>	5.2.1.1.1	If Operator utilizes a hangar for the storage of Operator's fleet at the Airport, paved tie-downs are not required.
<input checked="" type="checkbox"/>	5.2.1.2	Facilities shall include customer and administrative areas that are curbside accessible. Maintenance and hangar areas are required if Operator is conducting aircraft maintenance on aircraft owned and/or operated by Operator.
<input checked="" type="checkbox"/>	5.2.1.2.1	Customer area shall include adequate space for class/training rooms. Operator's customers shall have immediate access to customer lounge(s), and restrooms.
<input checked="" type="checkbox"/>	5.2.1.2.2	Administrative area shall include adequate space for employee offices, work areas, and storage.
<input checked="" type="checkbox"/>	5.2.1.2.3	Maintenance area, if required, shall be at least 500 square feet to include adequate space for employee work areas, shop areas, and storage.
<input checked="" type="checkbox"/>	5.2.1.2.4	Hangar area, if required, shall be large enough to accommodate the largest aircraft in Operator's fleet at the Airport maintained by Operator.
<input checked="" type="checkbox"/>	5.2.1.3	Vehicle Parking – Per Heber City Municipal Code, Chapter 18.72 Parking Standards.
<input checked="" type="checkbox"/>	5.3.1	Facilities shall include customer and administrative areas that are curbside accessible. Maintenance and hangar areas are required if Operator is conducting aircraft maintenance on aircraft owned and/or operated by Operator.
<input checked="" type="checkbox"/>	5.3.1.1	The City Council on a case-by-case basis will determine what minimum parcel size will be required of a business. Apron/paved tie-downs shall be adequate to accommodate the total number of aircraft in Operator's fleet at the Airport
<input checked="" type="checkbox"/>	5.3.1.1.1	If Operator constructs or has a hangar, apron shall be equal to the hangar square footage or an amount adequate to accommodate the movement of aircraft into and out of the hangar, staging, and parking of Operator's aircraft, whichever is greater.
<input checked="" type="checkbox"/>	5.3.1.1.2	If Operator utilizes a hangar for the storage of Operator's fleet at the Airport, paved tie-downs are not required.
<input checked="" type="checkbox"/>	5.3.1.2	Facilities shall include customer and administrative areas that are curbside accessible. Maintenance and hangar areas are required if Operator is conducting aircraft maintenance on aircraft owned and/or operated by Operator.
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<input checked="" type="checkbox"/>	5.3.1.2.3	Maintenance area, if required, shall be at least 500 square feet to include adequate space for employee work areas, shop areas, and storage.
<input checked="" type="checkbox"/>	5.3.1.2.4	Hangar area, if required, shall be at least 2,500 square feet or large enough to accommodate the largest aircraft in Operator's fleet at the Airport at the Airport maintained by Operator, whichever is greater.
<input checked="" type="checkbox"/>	5.3.1.3	Vehicle Parking – Per Heber City Municipal Code, Chapter 18.72 Parking Standards.
<input checked="" type="checkbox"/>	5.4.1	Personnel performing aircraft proficiency checks and/or flight training shall be properly certificated by the FAA, current, and hold the appropriate ratings for the aircraft being utilized and/or flight training being provided.
<input checked="" type="checkbox"/>	5.5.1	Operator shall provide a sufficient number of personnel to adequately and safely carry out aircraft rental and/or flight training in a prompt and efficient manner adequate to meet the reasonable demands of the public/members seeking such services.
<input checked="" type="checkbox"/>	5.5.1.1	Aircraft Rental Operators and Flying Club Operators shall employ one (1) flight instructor and one (1) customer service representative on each shift.
<input checked="" type="checkbox"/>	5.5.1.2	Flight Training Operators shall employ one (1) flight instructor (total) and one (1) customer service representative (on each shift).
<input checked="" type="checkbox"/>	5.6.1	Flight Training Operators shall provide all materials, supplies, and training methods and shall meet FAA requirements for the training offered.
<input checked="" type="checkbox"/>	5.7.1	An Aircraft Rental Operator and a Flight Training Operator shall be open and services shall be available to meet the reasonable demands of the public for this activity five (5) days a week, eight (8) hours a day. The hours may be adjusted to reflect seasonal operations.
N/A	5.8.1	Private Flying Clubs shall not be required to meet the minimum standards stipulated for a Flying Club <i>so long as the Private Flying Club's membership is not available to the general public.</i>
N/A	5.8.2	No member of a Private Flying Club shall receive compensation for services provided for such Private Flying Club or its members unless such member is an authorized Operator at the Airport.
N/A	5.8.3	No entity shall use Private Flying Club Aircraft in exchange for compensation.
N/A	5.8.4	Each Private Flying Club member must have an ownership interest in Private Flying Club. Membership (owners) may not exceed 45 individuals.
<input checked="" type="checkbox"/>	5.9.1	Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance Requirements.
<input checked="" type="checkbox"/>	5.9.2	Disclosure Requirement: Any Operator conducting aircraft rental, sales, or flight training shall post a notice and incorporate within the rental and instruction agreements the coverage and limits provided to the renter or student by Operator, as well as a statement advising that additional coverage is available to such renter or student through the purchase of an individual non-ownership liability policy. Operator shall provide a copy of such notice to the Airport Manager.

Airport Minimum Standards Section 2

<input checked="" type="checkbox"/>	2.1.1	Operator shall, in the sole judgment of the City Council, demonstrate the capability of providing high quality products, services, and facilities and engaging in activities in a professional manner.
<input checked="" type="checkbox"/>	2.1.2	Operator shall, in the sole judgment of the City Council, demonstrate the financial responsibility and capability to develop and maintain improvements; procure and maintain required vehicles, equipment, and/or aircraft; employ personnel, and engage in the activity.
<input checked="" type="checkbox"/>	2.2.1	No entity shall engage in an activity unless the entity has an agreement with the City authorizing such activity or the entity has received approval from the City Council to sublease land or improvements from an authorized Operator and conduct the activity at the Airport.
<input checked="" type="checkbox"/>	2.2.2	An agreement shall not reduce or limit Operator's obligations with respect to these Minimum Standards. 2.2.3. Operator shall comply with all the provisions of the agreement between Operator and the City
<input checked="" type="checkbox"/>	2.3.1	Operator shall pay the rents, fees, or other charges specified by the City for leasing or using land or improvements or engaging in activities.
<input checked="" type="checkbox"/>	2.3.1.1	Fee schedule is available at the Airport Manager's office or City Offices

- 2.3.2 No Operator shall be permitted to engage in activities unless said Operator is current in the payment of all rents, fees, charges, or other sums due to the Heber City under any and all agreements Operator has with the City.
- 2.3.3 Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to the City shall be grounds for revocation of the agreement or approval authorizing the occupancy or use of land or improvements or the conduct of activities at the Airport.
- 2.4.1 Operator shall lease or sublease sufficient land and lease, sublease, or construct sufficient improvements for the activity as stated in these Minimum Standards.
- 2.4.1.1 Leased premises that are used for commercial purposes and require public access shall have direct public streetside access.
- 2.4.2 Operators providing rotary wing aircraft parking must follow AC150/5390-2B in the design of the apron to be utilized for rotary wing aircraft parking.
- 2.5.1 Operator shall maintain the leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, and security lighting) in a neat, safe, and orderly condition
- 2.5.2 Operator shall provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, and any related services necessary to maintain the improvements in good condition, normal wear and tear excepted.
- 2.5.3 Operator shall replace in like kind any property damaged by its employees, patrons, subtenants, contractors, et al, or Operator's activities.
- 2.6.1 Products, services, and facilities shall be provided on a reasonable, and not unjustly discriminatory, basis to all consumers and users of the Airport.
- 2.6.2 Operator shall charge reasonable, and not unjustly discriminatory, prices for each product or service, provided that, Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- 2.6.3 Operator shall conduct its activities on and from the leased premises in a safe, efficient, and first class professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities and engaging in related activities from similar leaseholds in like markets.
- 2.7.1 Operator shall not discriminate against any person or class of persons by reason of race, creed, color, national origin, sex, age, disability, or physical handicap in providing any products or services or in the use of any of its facilities provided for the public, or in any manner prohibited by applicable regulatory measures including without limitation Part 21 of the Rules and Regulations of the office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended or reenacted.
- 2.8.1 Operator and Operator's personnel shall obtain and comply with, at Operator's sole expense, all necessary licenses, permits, certifications, or ratings required for the conduct of Operator's activities at the Airport as required by the Airport Advisory Board or any other duly authorized agency prior to engaging in any activity at the Airport. Operator shall provide copies of such licenses, permits, certifications, or ratings to the City.
- 2.9.1 Operator shall have in its employ, on duty, and on premises during operating hours, trained and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each activity being conducted in a safe and efficient manner
- 2.9.2 Operator shall provide a person to supervise activities and such person shall be authorized to represent and act for and on behalf of Operator during all hours of activities. When such person is not on the leased premises, such individual shall be immediately available by telephone or pager.
- 2.10.1 Operator shall designate a responsible person for the coordination of all security communications and procedures.
- 2.10.2 Operator shall develop and maintain a security plan.
- 2.11.1 Operator shall procure and maintain, during the term of an agreement, insurance policies required by law and the types and minimum limits set forth in Attachment A of these Minimum Standards for each activity. The insurance company or companies underwriting the required policies shall be licensed or authorized to write such insurance in the State of Utah.
- 2.11.1.1 When coverages or limits set forth in these Minimum Standards are not commercially available, appropriate replacement coverages or limits must be approved by the City
- 2.11.2 When Operator engages in more than one (1) activity, the minimum limits shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative in all instances. It shall not be necessary for Operator to carry insurance policies for the combined total of the minimum requirements of each activity. However, Operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum
- 2.11.3 All insurance, which Operator is required by the City to carry and keep in force, shall name Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as additional insured.
- 2.11.4 Liability policies shall contain, or be endorsed to contain, the following provisions:
 - 2.11.4.1 "Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of Operator, products and services of Operator, premises owned, leased, occupied, or used by Operator, or vehicles, equipment, or aircraft owned, leased, hired, or borrowed by Operator. Any insurance or self-insurance maintained by Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers shall be in excess of Operator's and shall not contribute with it."
 - 2.11.4.2 "Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers. Operator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability."
 - 2.11.4.3 "Coverage shall not be suspended, voided, or cancelled by either party or reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to Heber City."

- 2.11.5 Certificates of Insurance for the insurance required by law and set forth by these Minimum Standards for each activity shall be delivered to the Airport Manager upon execution of any agreement or approval. Operator shall furnish additional Certificates of Insurance 30 days prior to any changes in coverage, if the change results in a reduction. Current proof of insurance shall be continually provided to the Airport Manager throughout the term of the agreement or shall be made available at Airport Manager's request.
- 2.11.6 The limits stipulated herein for each activity represent the minimum coverage and policy limits that shall be maintained by the Operator to engage in activities at the Airport. Operators are encouraged to secure higher policy limits.
- 2.11.7 Any self-insured Operator shall furnish evidence of such self-insurance and shall hold Heber City, Heber City Airport, and the Heber City Council harmless in the event of any claims or litigation arising out of its activities at the Airport. Such evidence shall be reviewed and approved in writing by the City.
- 2.11.8 Operator shall, at its sole expense, cause all facilities and improvements on the leased premises to be kept insured to the full insurable value (current replacement cost with no depreciation) thereof against the perils of fire, lightning, wind, hail, earthquake, extended coverage, and/or vandalism. The proceeds of any such insurance paid on account for any of the aforementioned perils, shall be used to defray the cost of repairing, restoring, or reconstructing said facilities or improvements to the condition and location existing prior to the casualty causing the damage or destruction, unless a change in design or location is approved in writing by the Airport Advisory Board.
- 2.12.1 Operator shall defend, indemnify, save, protect, and hold harmless Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's actions or inaction. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with Utah principles of comparative fault.
- 2.12.2 The Operator shall indemnify and hold harmless the Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its employees, its vendors or any other personnel used by the Operator to maintain Operator's facilities, vehicles, equipment, or aircraft.
- 2.12.3 Nothing herein shall constitute a waiver of any protection available to the City, its representatives, officers, officials, employees, agents, and volunteers under the Utah governmental immunity act or similar statutory provision.
- 2.13.1 Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized agency.
- 2.14.1 When more than one (1) activity is conducted, the minimum requirements shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative.

COMMERCIAL HANGAR OPERATOR

- FORM** A commercial operator authorized to **perform maintenance services on aircraft they do not own or operate**. This includes offering repairs, overhauls, and maintenance for airframes, engines, avionics, instruments, and accessories. The operator may also sell parts and accessories related to these services. This type of SASO must comply with both the general requirements for all operators and specific minimum standards for facilities, certifications, and insurance as outlined in the airport's minimum standards document.
- 12.1.1** A Commercial Hangar Operator is a Commercial Operator that owns or leases a hangar structure(s) for the purpose of subleasing hangar and associated office or shop space to entities engaging in commercial or non-commercial aeronautical activities.
- 12.1.2** In addition to the General Requirements set forth in Section 2, each Commercial Hangar Operator at the Airport shall **comply with the following Minimum Standards set forth in this Section 11**.

Application Information:

Applicant/Company Name: Elemental Aviation Limited Company
Contact Name: Jason Talley
Contact Phone: 949-370-8950
Address: 158 W 1780 S
City: Heber
State: Utah
Zip: 84032
Email: jason@elemental.aero

Business License/Registration: Applied for License 11/18/2025 - currently in review

Scope of Activity

- Description of hangar services provided (e.g., storage, maintenance space for tenants)
- Applicant is an authorized Distributor of Pipistrel Aircraft, a Cessna Authorized Service Facility for Piston aircraft, a Beechcraft Authorized service facility for Piston Aircraft, a Garmin Authorized Sales and Service Facility, and owns and operates a FAA Part 141 Flight School (located in another geographic area). Applicant wishes to expand its permitted commercial activities to include being an Aircraft Maintenance Operator (today we are only permitted to work on small aircraft) pursuant to Section 4 of the Commercial Minimum Standards, Aircraft Rental and Flight Training Operator pursuant to Section 5 of the Commercial Minimum Standards, and Commercial Hangar Operator pursuant to Section 12 of the Commercial Minimum Standards.
- Applicant Elemental Avialon Limited Company ("Elemental") is the exclusive authorized Pipistrel distributor for the Western United States. Pipistrel Airca6 is a leading provider of electric and piston powered small airca6 located in Italy and Slovenia. Applicant is currently operating under a specialized commercial services authorization approved by the Heber City Council to conduct its operations. Pursuant to the commercial minimum standards, Applicant wishes to expand it allowed multiple commercial activities:
- 1) Aircraft Rental and Flight Training Operator
 - 2) Aircraft Maintenance Operator
 - 3) Commercial Hangar Operator
- Applicant is compliant with the minimum standards as required for the above three uses. Applicant has common beneficial ownership (as a subsidiary) as the owner of multiple hangars, has access to approximately 12,000 square feet of street side accessible hangar space, 3,000 square feet of office space (which includes customer facilities, classroom, customer lounge, accessible restrooms, and customizable space), approximately 10,000 square feet of apron and/or vehicular parking.

Insurance

Proof Of Insurance for the following aircraft			
Type of Airplanes	Pipistrel Aircraft	Tail #:	N356EA N346EA N376EA
	American Champion Aircraft	Tail #:	N481DM
	Cessna Aircraft	Tail #:	N76JT

Compliance Assurance

- Agreement to comply with all Airport Rules and Regulations

Proof of Gross Income

Hangar # We haven't formalized the name for the new Hangar yet, but we refer to it as "Elemental Base". The address is 158 W 1780 S however.

[Fee Schedule Link](#)

Airport Minimum Standards Section 12

- 12.1.1 A Commercial Hangar Operator is a Commercial Operator that owns or leases a hangar structure(s) for the purpose of subleasing hangar and associated office or shop space to entities engaging in commercial or non-commercial aeronautical activities.
- 12.1.2 **In addition to the General Requirements set forth in Section 2**, each Commercial Hangar Operator at the Airport shall comply with the following **Minimum Standards set forth in this Section 11**.
- 12.2.1 Operator shall use the leased premises for the purpose of: (1) Primarily for Operator's aircraft and/or equipment, (2) subleasing the hangar and associated office and shop space for approved commercial or non-commercial aeronautical activities.
- 12.3.1 Operator engaging in this activity shall have adequate land, apron, vehicle parking, and facilities to accommodate all activities of the Operator and all approved Sublessee(s).
- 12.3.1.1 All required improvements including, but not limited to, apron/paved tiedown, vehicle parking, roadway access, landscaping, and facilities shall be located on contiguous land.
- 12.3.1.2 Apron/paved tiedown shall be adequate to accommodate the movement of aircraft into and out of the hangar, staging, and parking of aircraft.
- 12.4.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance.

Airport Minimum Standards Section 11

- 11.1.1 A Commercial Hangar Developer is a Commercial Operator that develops and/or constructs hangar structure(s) for the purpose of selling hangar and associated office or shop space to entities engaging in commercial or non-commercial aeronautical activities.
- 11.1.2 In addition to the General Requirements set forth in Section 2, each Commercial Hangar Operator at the Airport shall comply with the following **Minimum Standards set forth in this Section 10**.
- 11.2.1 Developer shall use the leased premises for the purpose of:
- (1) selling hangar and associated office or shop space,
 - (2) use by Operator (primarily for Developer's aircraft and/or equipment),
 - (3) engaging in subleasing of hangar and associated office and shop space (as a Commercial hangar Operator)
- 11.3.1 Developer engaging in this activity shall have adequate land, apron, vehicle parking, and facilities to accommodate all activities of the Developer.

- 11.3.1.1 All required improvements including, but not limited to, apron/paved tiedown, vehicle parking, roadway access, landscaping, and facilities shall be located on contiguous land.
- 11.3.1.2 Apron/paved tiedown shall be adequate to accommodate the movement of aircraft into and out of the hangar, staging, and parking of aircraft.
- 11.3.1.3 The development of commercial hangar(s) shall be limited to the following types of hangar structures:
 - 11.3.1.3.1 Hangar - a single structure of not less than 2,500 square feet, completely enclosed.
 - 11.3.1.3.2 Hangars - a single structure of not less than 5,000 square feet, subdivided and configured (although each unit shall not be less than 1,250 square feet) to accommodate individual bays for the storage of private aircraft.
- 11.4.1 Developer shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance.

Airport Minimum Standards Section 10

- 10.1.1 The City recognizes that Aircraft Operators using the Airport may require specialized assistance with the maintenance of their aircraft and/or flight training of their pilots. When assistance is not available on the Airport through an existing Operator due to either the specialized nature of the maintenance and/or flight training requirements, the City may allow an Aircraft Operator to solicit and utilize the services of a qualified entity to provide said services.
- 10.1.2 In addition to the General Requirements set forth in Section 2, each Temporary Specialized Commercial Aeronautical Operator at the Airport shall comply with the following **minimum standards set forth in this Section 9**.
- 10.2.1 Operator shall conduct activity on and from the leased premises of the Aircraft Operator in a manner consistent with the degree of care and skill exercised by experienced Operators providing comparable products and services and engaging in similar activities.
 - 10.3.1 Aircraft Operator must submit request to the City Council on behalf of Operator.
 - 10.3.2 Operator shall obtain a 30 day temporary permit (issued by the City) prior to engaging in activity on the Airport.
 - 10.3.3 Operators requiring after-hour or weekend service by a Temporary Specialized Aviation Service Operator must notify the Airport Manager prior to Operator engaging in activities on the Airport.
 - 10.3.3.1 Aircraft Operator is responsible for assuring compliance of all Airport Rules and Regulations by the Temporary Specialized Aviation Service Operator while on the Airport.
- 10.4.1 Operator shall have and provide to the City evidence of all federal, state, and local licenses and certificates that are required.
- 10.5.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance Requirements.

Airport Minimum Standards Section 9

- N/A 9.1.1 A Commercial Hot Air Balloon Operator is a Commercial Operator engaged in providing Air Transportation Services for Hire.
- N/A 9.1.1.1 Air Transportation Services for Hire- are defined as non-stop sightseeing flights (flights that begin at the Airport and are conducted within 25 statute mile radius of the Airport); flights for aerial photography or survey; or any other
- N/A 9.1.2 In addition to the General Requirements set forth in Section 2, each Commercial Hot Air Balloon Operator at the Airport shall comply with the following minimum standards set forth in this Section.
 - 9.2.1 An Operator engaging in this activity as well as employees, clients, and guests shall use designated areas established by the Airport Manager for conducting these operations while on the Airport.
 - 9.3.1 Operator shall have and provide to the Airport Manager evidence of all federal, state, and local licenses and certificates that are required to conduct the activity.
 - 9.4.1 Operator shall provide a sufficient number of personnel to adequately and safely carry out its activity in a prompt and efficient manner to meet the reasonable demands of the public seeking such services.
 - 9.5.1 Operator is encouraged to conduct operations between 5:00 a.m. to 11: 00 a.m.
 - 9.6.1 Operator is encouraged to maintain contact with local radio frequency
 - 9.7.1 Operator shall maintain, at a minimum, the coverage and limits of insurance set forth in Attachment A - Schedule of Minimum Insurance Requirements.

Airport Minimum Standards Section 2

- 2.1.1 Operator shall, in the sole judgment of the City Council, demonstrate the capability of providing high quality products, services, and facilities and engaging in activities in a professional manner.
- 2.1.2 Operator shall, in the sole judgment of the City Council, demonstrate the financial responsibility and capability to develop and maintain improvements; procure and maintain required vehicles, equipment, and/or aircraft; employ personnel, and engage in the activity.
- 2.2.1 No entity shall engage in an activity unless the entity has an agreement with the City authorizing such activity or the entity has received approval from the City Council to sublease land or improvements from an authorized Operator and conduct the activity at the Airport.
- 2.2.2 An agreement shall not reduce or limit Operator's obligations with respect to these Minimum Standards. 2.2.3. Operator shall comply with all the provisions of the agreement between Operator and the City
- 2.3.1 Operator shall pay the rents, fees, or other charges specified by the City for leasing or using land or improvements or engaging in activities.
 - 2.3.1.1 Fee schedule is available at the Airport Manager's office or City Offices
 - 2.3.2 No Operator shall be permitted to engage in activities unless said Operator is current in the payment of all rents, fees, charges, or other sums due to the Heber City under any and all agreements Operator has with the City.
 - 2.3.3 Operator's failure to remain current in the payment of any and all rents, fees, charges, and other sums due to the City shall be grounds for revocation of the agreement or approval authorizing the occupancy or use of land or improvements or the conduct of activities at the Airport.
- 2.4.1 Operator shall lease or sublease sufficient land and lease, sublease, or construct sufficient improvements for the activity as stated in these Minimum Standards.
 - 2.4.1.1 Leased premises that are used for commercial purposes and require public access shall have direct public streetside access.
 - 2.4.2 Operators providing rotary wing aircraft parking must follow AC150/5390-2B in the design of the apron to be utilized for rotary wing aircraft parking.
 - 2.5.1 Operator shall maintain the leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, and security lighting) in a neat, safe, and orderly condition
 - 2.5.2 Operator shall provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, and any related services necessary to maintain the improvements in good condition, normal wear and tear excepted.
 - 2.5.3 Operator shall replace in like kind any property damaged by its employees, patrons, subtenants, contractors, et al, or Operator's activities.
 - 2.6.1 Products, services, and facilities shall be provided on a reasonable, and not unjustly discriminatory, basis to all consumers and users of the Airport.
 - 2.6.2 Operator shall charge reasonable, and not unjustly discriminatory, prices for each product or service, provided that, Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
 - 2.6.3 Operator shall conduct its activities on and from the leased premises in a safe, efficient, and first class professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities and engaging in related activities from similar leaseholds in like markets.
 - 2.7.1 Operator shall not discriminate against any person or class of persons by reason of race, creed, color, national origin, sex, age, disability, or physical handicap in providing any products or services or in the use of any of its facilities provided for the public, or in any manner prohibited by applicable regulatory measures including without limitation Part 21 of the Rules and Regulations of the office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964, as amended or reenacted.
- 2.8.1 Operator shall have in its employ, on duty, and on premises during operating hours, trained and courteous personnel in such numbers as are required to meet these Minimum Standards and to meet the reasonable demands of the aviation public for each activity being conducted in a safe and efficient manner
 - 2.9.2 Operator shall provide a person to supervise activities and such person shall be authorized to represent and act for and on behalf of Operator during all hours of activities. When such person is not on the leased premises, such individual shall be immediately available by telephone or pager.
- 2.10.1 Operator shall designate a responsible person for the coordination of all security communications and procedures.
- 2.10.2 Operator shall develop and maintain a security plan.
- 2.11.1 Operator shall procure and maintain, during the term of an agreement, insurance policies required by law and the types and minimum limits set forth in Attachment A of these Minimum Standards for each activity. The insurance company or companies underwriting the required policies shall be licensed or authorized to write such insurance in the State of Utah.
 - 2.11.1.1 When coverages or limits set forth in these Minimum Standards are not commercially available, appropriate replacement coverages or limits must be approved by the City
 - 2.11.2 When Operator engages in more than one (1) activity, the minimum limits shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative in all instances. It shall not be necessary for Operator to carry insurance policies for the combined total of the minimum requirements of each activity. However, Operator shall procure and maintain insurance for all exposures in amounts at least equal to the greatest of the required minimum
- 2.11.3 All insurance, which Operator is required by the City to carry and keep in force, shall name Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as additional insured.
- 2.11.4 Liability policies shall contain, or be endorsed to contain, the following provisions:

- 2.11.4.1 "Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of Operator, products and services of Operator, premises owned, leased, occupied, or used by Operator, or vehicles, equipment, or aircraft owned, leased, hired, or borrowed by Operator. Any insurance or self-insurance maintained by Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers shall be in excess of Operator's and shall not contribute with it."
- 2.11.4.2 "Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to Heber City, the Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers. Operator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability."
- 2.11.4.3 "Coverage shall not be suspended, voided, or cancelled by either party or reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to Heber City."
- 2.11.5 Certificates of Insurance for the insurance required by law and set forth by these Minimum Standards for each activity shall be delivered to the Airport Manager upon execution of any agreement or approval. Operator shall furnish additional Certificates of Insurance 30 days prior to any changes in coverage, if the change results in a reduction. Current proof of insurance shall be continually provided to the Airport Manager throughout the term of the agreement or shall be made available at Airport Manager's request.
- 2.11.6 The limits stipulated herein for each activity represent the minimum coverage and policy limits that shall be maintained by the Operator to engage in activities at the Airport. Operators are encouraged to secure higher policy limits.
- 2.11.7 Any self-insured Operator shall furnish evidence of such self-insurance and shall hold Heber City, Heber City Airport, and the Heber City Council harmless in the event of any claims or litigation arising out of its activities at the Airport. Such evidence shall be reviewed and approved in writing by the City.
- 2.11.8 Operator shall, at its sole expense, cause all facilities and improvements on the leased premises to be kept insured to the full insurable value (current replacement cost with no depreciation) thereof against the perils of fire, lightning, wind, hail, earthquake, extended coverage, and/or vandalism. The proceeds of any such insurance paid on account for any of the aforementioned perils, shall be used to defray the cost of repairing, restoring, or reconstructing said facilities or improvements to the condition and location existing prior to the casualty causing the damage or destruction, unless a change in design or location is approved in writing by the Airport Advisory Board.
- 2.12.1 Operator shall defend, indemnify, save, protect, and hold harmless Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers as a result of, or arising out of Operator's actions or inaction. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with Utah principles of comparative fault.
- 2.12.2 The Operator shall indemnify and hold harmless the Heber City, Heber City Airport, and the Heber City Council, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident caused by Operator, its employees, its vendors or any other personnel used by the Operator to maintain Operator's facilities, vehicles, equipment, or aircraft.
- 2.12.3 Nothing herein shall constitute a waiver of any protection available to the City, its representatives, officers, officials, employees, agents, and volunteers under the Utah governmental immunity act or similar statutory provision.
- 2.13.1 Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized agency.
- 2.14.1 When more than one (1) activity is conducted, the minimum requirements shall vary depending upon the nature of each activity and/or combination of activities, but shall not necessarily be cumulative.

Date	Action
10/30/2025	Application Rcvd
11/3/2025	Start Review for Completeness
11/3/2025	Informed JT that SASO Application is under review, commit to follow up in 7-10 days
11/3/2025	JT Acknowledged we have started reviewing application against min. standards
11/5/2025	Clarification on scope of application, NOT applying for FBO
11/12/2025	Follow up to Jason on status of review, let him know that I need to review with management w/ my findings as I am in training
11/12/2025	Confirmed expansion of current activities, no additional leasing activity is required
11/18/2025	Turned over/ Reviewed SASO application completeness review notes with management
11/18/2025	Update to JT that initial review is complete and provided him a list of what is still needed
11/18/2025	Rcvd Insurance Policies and Certifications requested
11/24/2025	Insurance Policies reviewed and added to application docs
11/24/2025	A few more follow up questions sent to Jason to end the completeness review
11/24/2025	Prompt response from JT on follow ups - ready to turn over to the AAB / Staff Report
12/3/2025	Clarification on Insurance Records that mention : Fuel Based Operator at the Business name insured
12/3/2025	JT is looking into why his documents read FBO, he noted they most certainly are not an FBO.
12/3/2025	Insurance Policy updated - Standard Form that has been corrected - no longer reads FBO, now reads Aircraft Distributor
12/4/2025	Travis spoke w/ JT, he noted he is not applying for an FBO and he is changing the wording on his insurance document
	Travis Emailed w/ additional Clarifications:
	1. Facilities and layout: Could you confirm where your customer and administrative areas will be located, and how they will meet the Minimum Standards for size and accessibility? A map or description of their location and size would be especially helpful.
	2. Apron, facilities, and parking: Sections 4.2.1 and 5.2.1 require adequate apron, facilities, and vehicle parking in close proximity to operations. Could you share how these will be accommodated on your leased premises?
12/4/2025	3. Parking compliance: If the code requires a certain amount of parking per employee, you might note the number of employees and the number of parking spaces available, ideally with a map or diagram, to demonstrate compliance with Chapter 18.72 of the zoning code.
	4. Aircraft storage: You've listed 8 aircraft in your application. Will all of these be based at the Airport, and if so, can you confirm that there is sufficient hangar space for them along with the other activities you plan to conduct?
	5. Maintenance administrative space: Section 4.2.1.2.2 requires dedicated administrative space for maintenance activities. Could you clarify how this will be provided?
	6. Any maps, diagrams, or short explanations you can provide on these points will make it much easier for the Board to review your application confidently.
	Response from JT on Travis' Clarification email
	Facilities and layout: Could you confirm where your customer and administrative areas will be located, and how they will meet the Minimum Standards for size and accessibility? A map or description of their location and size would be especially helpful.
	<i>These customer and administrative areas are located within the hangar and comprise of approximately 3,000 square feet of space.</i>
	Apron, facilities, and parking: Sections 4.2.1 and 5.2.1 require adequate apron, facilities, and vehicle parking in close proximity to operations. Could you share how these will be accommodated on your leased premises? <i>Apron - Apron has been approved by the airport engineers, airport staff, and the building department to provide for proper movement of aircraft in and out of the hangar pursuant to the ALP. This is no different than any other aircraft operating into and out of a hangar on the airfield. In addition, we are already authorized to provide maintenance on small aircraft, and have demonstrated successful ability to move aircraft in and out of the hangar. Please see PZS25-0027 for parking. All of these improvements have been approved by the City and Airport staff during the various stages of construction. You should be in possession of such documentation.</i>
12/8/2025	Parking compliance: <i>If the code requires a certain amount of parking per employee, you might note the number of employees and the number of parking spaces available, ideally with a map or diagram, to demonstrate compliance with Chapter 18.72 of the zoning code. This was approved by PZS25-0027 for our operations to comply with the code and our TI improvements.</i>
	Aircraft storage: You've listed 8 aircraft in your application. Will all of these be based at the Airport, and if so, can you confirm that there is sufficient hangar space for them along with the other activities you plan to conduct? <i>Not all aircraft will be based at Heber City. If they were all based at Heber City, we would have sufficient hangar space for them along with the other activities that we wish to conduct. At this time, we expect 4 aircraft will be based at Heber City that will engage in the activities herein.</i>
	Maintenance administrative space: Section 4.2.1.2.2 requires dedicated administrative space for maintenance activities. Could you clarify how this will be provided? <i>This is actually not what Section 4.2.1.2.2 states. It states that, "Administrative area shall be dedicated to the provision of aircraft maintenance...." We have such offices and parts locations dedicated to the administrative space requirements contemplated in this section. We have shown such to Travis.</i>
12/8/2025	Requested proof of 1% fee and operations statement
12/8/2025	This was addressed in the revision of the commercial rates and fees last year and was specifically discussed to go to a flat fee.

SASO Documents filed with Heber City include the following:

1. Flight Instructor Certification
2. Aircraft Mechanic/Repairman Certification
3. Aircraft Repairman Light Sport Certification

*FAA Government issued identification is protected and therefore not included

NOTICE OF ANNUAL MEETING SCHEDULE – YEAR 2026 HEBER CITY AIRPORT ADVISORY BOARD

Notice is hereby given that the Heber City Airport Advisory Board conducts its regular meetings on the second Wednesday of each quarter to begin January 13, 2026, at the Heber City Municipal Building, located at 75 North Main Street, Heber City Utah, beginning at 4:00 pm unless otherwise noted.

The 2026 Airport Advisory Board Meeting Schedule is as follows:

January 13, 2026
April 15, 2026
July 15, 2026
October 14, 2026
January 13, 2027

THE PUBLIC IS INVITED TO ATTEND ALL AIRPORT ADVISORY BOARD MEETINGS.

Virtual meeting links are available at <https://www.heberut.gov/256/Agendas-and-Minutes>.

If you need a special accommodation to participate in the City Council Meetings, please call Robin Raines-Bond at 435-657-7887.

Robin Raines-Bond
Deputy City Recorder, Heber City

NON-REVERSIONARY GROUND LEASE AGREEMENT

HEBER CITY AIRPORT

BETWEEN

HEBER CITY CORPORATION

AND

[_____]

[_____, 20__]

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NON-REVERSIONARY GROUND LEASE AGREEMENT

This Non-Reversionary Ground Lease Agreement (“Agreement”) is made and entered into this ___ day of _____, 20__ (the “Effective Date”), by and between the Heber City Corporation (the “City”) and _____, a _____ (“Lessee”) (collectively, “Parties” and each individually, “Party”).

RECTIALS

WHEREAS, the City owns and operates the Heber Valley Airport located in Heber City, Wasatch County, Utah (the “Airport”), and is the sponsor of the Airport under federal law; and

WHEREAS, Lessee desires to lease a parcel of land on the Airport for the purpose of erecting and/or maintaining an aircraft hangar owned by Lessee for the personal storage of Lessee’s aircraft; and

WHEREAS, Lessee shall use the Premises as herein defined only for such uses and purposes that are expressly set forth in this Agreement.

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

I. PREMISES

A. The City leases to Lessee, and Lessee leases from City, that certain real property consisting of _____ [acres/square feet] of land at the Airport that is located at [INSERT ADDRESS HERE], Heber City, Utah, which is more fully described on **Exhibit 1** attached and made part hereof (the “Premises”).

B. Lessee accepts the Premises “AS IS” in the condition existing upon the Effective Date. Lessee’s acceptance of the Premises shall be conclusive evidence that its condition is satisfactory to Lessee for Lessee’s intended purposes. The City makes no representation or warranty respecting the condition of the Premises as it exists now or in the future.

II. TERM

A. Term. The term of this Agreement shall commence on the Effective Date and shall continue for **five (5) years** **twenty (20) years, expiring** on the **twentieth (20th)** fifth (5th) anniversary of the Effective Date at 11:59 p.m. local time, unless sooner terminated as set forth herein (the “Term”).

B. The City desires to offer Lessee an opportunity to enter into a new lease for the Leased premises at the end of the term. If Lessee desires to continue occupying the Lease Premises after the expiration of the term, Lessee may request the City grant a new lease agreement and the city will enter into a new lease that is based upon such terms and conditions, including rental rates, of the then-current Airport standard lease form being offered by the City, Provided: (i) Lessee is not in default in the payment of any rent or in any other provision of this agreement, is in good standing at the Airport, and submits a current certificate from City Building Inspector to the Airport Manager that the improvements are structurally sound and is projected to be sound for the duration of the new lease; and (ii) the new lease is consistent with the Airports Master plan then in effect and all federal rules, regulations, directives and guidelines or other obligations with respect to the Airport, including but not limited to the Grant Assurance

III. HOLDING OVER

A. If Lessee should hold over and continue in possession of the Premises or any

B. If Lessee shall holdover and fail to surrender the Premises upon termination of this Agreement without the City's consent then, in addition to any other liabilities to the City arising therefrom, Lessee shall and does hereby agree to indemnify, defend, and hold the City harmless from any loss or liability resulting from Lessee's failure to surrender the Premises, including but not limited to claims made by any succeeding tenant.

IV. RENT, ADJUSTMENTS, AND OTHER CHARGES

A. Rent. In consideration for the use of the Premises, facilities, rights, services, and privileges granted herein, beginning upon the commencement of the Term, Lessee shall pay to the City rental at the initial rate of \$X.XX per square foot per year (the "Ground Lease Rate") on XXXXX square feet comprising the Premises, for the total sum of [AMOUNT IN WORDS] DOLLARS (\$[AMOUNT]), as may be adjusted as provided herein, payable in full on the Effective Date and within thirty (30) days of the City's annual invoice (typically in mid-January) for each year of the Term thereafter (the "Rent").

B. Annual Adjustment. Beginning in the second (2nd) year of the Term, the Ground Lease Rate and the Rent shall be automatically adjusted effective January 1st of each year during the Term based on the percentage increase in the Consumer Price Index, Mountain Plains over the prior year, provided, however, that the Ground Lease Rate and Rent shall not decrease.

C. Change In Ground Lease Rate. In addition to the annual adjustments, if City adopts a new standard Ground Lease Rate, the Ground Lease Rate in this Agreement shall be adjusted to match the Ground Lease Rate adopted by the City, subject to the following: (1) City shall not adjust the Ground Lease Rate pursuant to this Section IV.C. more than once every three years; (2) the new Ground Lease Rate shall not increase the current Ground Lease Rate, as adjusted pursuant to this Section IV.C, by more than twenty-five percent (25%); and (3) City shall provide Lessee not less than forty-five (45) days notice prior to the effective date of any change to the Ground Lease Rate and Rent pursuant to this Section IV.C.

D. Proration of Rental Payments. If the commencement or termination of the Term fall on any other date than the first (1st) or last day of a calendar year, the applicable rentals, fees, and charges for such year shall be paid pro rata according to the number of days in the year during which said privileges were enjoyed.

E. Manner of Payment. Lessee shall deliver Rent and all payments due to the City under this Agreement in a form acceptable to the City to the Heber City Airport Manager c/o the Heber City Treasurer, 75 North Main Street, Heber City, Utah 84032, or as otherwise directed in writing by the City.

F. Other Fees and Charges. Lessee shall pay to the City within ten (10) days of notice by the City, any sum or sums paid by the City, or obligation or expense incurred by the City, for which Lessee has agreed to pay or reimburse the City, or which the City has paid or incurred because of the failure, neglect, or refusal of Lessee to perform or fulfill any of the promises, terms, conditions, or covenants required of it under this Agreement.

G. Late Payments. If Lessee fails to pay any amounts due under this Agreement, including Rent, within ten (10) days of the due date thereof, Lessee shall pay an interest charge of one and one-half percent (1.5%) of the amount owing for each calendar month or part thereof from the due date to the date payment is made. The payment of interest does not excuse or cure any otherwise uncured Lessee default under this Agreement. Payments received from Lessee will be applied by the City first to accrued interest, second to due Rent, and third to other amounts due hereunder.

V. USE OF PREMISES

A. Permitted Use. Subject to the terms and conditions of this Agreement, Lessee shall only use the Premises for the construction and/or maintenance of a private aircraft hangar and related facilities to be used solely for Lessee's and authorized sublessee's personal, non-commercial purposes ("Permitted Use"), which Permitted Use is limited to:

1. The non-commercial storage of active and operational aircraft owned or leased by Lessee and authorized sublessees, provided that within ten (10) days of the Effective Date, Lessee shall provide written notice to the Airport Manager of the registration number of the aircraft and the person(s) responsible for it, including off-hours emergency phone numbers;

2. The non-commercial storage of aviation-related equipment;

3. Non-commercial, non-aviation storage as an incidental use, provided that the Premises is primarily used for aviation purposes and such non-aviation storage does not materially displace or limit the aeronautical contents of the hangar;

4. The non-commercial, self-servicing and preventive maintenance and servicing of Lessee's aircraft, Lessee's vehicles, and equipment, provided that motor vehicle or equipment maintenance shall occur only indoors; and

5. Short-term and temporary parking of motor vehicles owned or leased by Lessee or their invitees only in connection with the Permitted Use.

B. Prohibited Use. Lessee shall use, and cause its invitees to use, the Premises and the Airport only for the Permitted Use and those other uses authorized under this Agreement, and shall not engage in any unauthorized or prohibited use of the same. Prohibited uses include, but are not limited to, the following:

1. Lessee shall not erect, place upon, operate, or maintain any improvement on the Premises, nor conduct business therein, in violation of the terms of this Agreement or any applicable law, statute, ordinance, regulation, rule, or order of any federal, state, or local governmental agency having jurisdiction over the Premises.

2. Lessee shall not erect any structure or allow the growth of any plant or natural object that would constitute an obstruction to air navigation as defined in 14 CFR Part 77; nor shall Lessee conduct any activity on the Premises that would interfere with or be a hazard to the flight of aircraft over the land or to and from the Airport or interfere with air navigation and communication facilities serving the Airport. The City shall have the continuing right to take any

action it deems necessary to prevent the erection or growth of any structure, tree, or other object into the air space, or development of any hazard to air navigation or communication, and to remove or abate from such air space, or mark and light as obstructions, any such structure, tree, object, or hazard, and shall have the right of ingress and egress over the Premises for such purposes.

3. Lessee shall not use the Premises as living or overnight sleeping quarters.

4. Lessee shall not use the Premises for non-aeronautical purposes without the prior written consent of the City, provided that Lessee shall at all times comply, and cause invitees to materially comply with the FAA's *Policy on the Non-Aeronautical Use of Airport Hangars*, 81 Fed. Reg. 38906 (June 15, 2016), as it may be amended.

5. Lessee shall not place waste materials on the Airport or dispose of such materials in violation of any federal, state, or local laws, rules, regulations, or orders.

6. Lessee shall not conduct any commercial activity or business at, on, or from the Premises without the prior written consent of the City, provided that, as a condition of such consent, Lessee shall comply with the Airport's Minimum Standards (as defined herein) and any other conditions, limitations, or terms the City may reasonably require.

7. Lessee shall not sell or store aviation fuel, parts, oils, or any other products or services from or on the Premises without the prior written consent of the City.

8. Lessee shall not store any motor vehicles on the Premises without the prior written consent of the City.

9. Lessee shall not wash any aircraft, motor vehicles, or equipment on the Premises without the City's prior written consent, which the City may grant, condition, or withhold in its sole discretion.

10. Lessee shall not store on the Premises equipment, materials, or containers, unless used in conjunction with the Permitted Uses, nor shall Lessee store any equipment or materials of any kind on the Premises which is unsightly or inconsistent with Lessee's maintenance obligations hereunder.

11. Lessee shall not store or let stand any equipment or property belonging to Lessee or under Lessee's custody (including but not limited to vehicles and aircraft) outside the boundaries of the Premises without prior written consent of the City, except when such equipment or property is in the process of being loaded or unloaded.

VI. PRIVILEGES GRANTED TO LESSEE

City grants to Lessee the following rights and privileges, subject to Lessee's compliance with, as applicable, the Airport's minimum standards promulgated and adopted by the City ("Minimum Standards"), the Airport's rules and regulations promulgated and adopted by the City ("Rules and Regulations"), and all orders, rules, and/or regulations of the Federal Aviation Administration ("FAA"), Transportation Security Administration ("TSA"), Department of

Homeland Security (“DHS”), and Environmental Protection Agency (“EPA”), as each may be amended from time to time:

- A. The exclusive right to use the Premises in connection with the Permitted Use and for no other purpose, unless expressly authorized by the City in writing; provided that City reserves the right to grant users of the Airport the right to use the Pavement Area (as defined in Section VII.A.1 herein) on the Premises from time to time for passage of aircraft on and near the adjacent taxiway when required for ingress and egress to other areas of the Airport;
- B. The right to use, in common with others, the facilities and improvements owned or constructed by the City which are of a public nature and available for public use;
- C. The right of ingress and egress from the Premises for Lessee and Lessee’s contractors and invitees to the extent reasonably necessary in connection with the Permitted Use;
- D. The right to install, operate, maintain, repair, and store all fixtures and equipment necessary for the Permitted Use, at Lessee’s sole cost and expense; and
- E. Lessee shall not erect any signs on the Premises or the Improvements thereon without the prior written consent of the City, which may be withheld or conditioned in its sole and absolute discretion.

VII. CONSTRUCTION OF IMPROVEMENTS

A. Generally. Lessee, at its sole expense and subject to the City’s approval as set forth below, may construct or install on the Premises, in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations, including FAA requirements, such buildings, structures, or improvements, or modifications, revisions, or alterations thereto, that are reasonably related to the Permitted Use, including a hangar facility and aircraft pavement area (collectively, the “Improvements”). Lessee may not cause or permit any Improvements on the Premises to conflict with the City’s Master Plan or Airport Layout Plan existing at such time and as on file with the FAA.

1. As part of the Improvements, Lessee, at its sole cost and expense, shall construct and maintain an aircraft pavement area on the Premises (the “Pavement Area”) to accommodate the movement of aircraft in an out of the hangar improvements constructed thereon, which must be designed and built to specifications, and for a minimum weight bearing capacity, established by the City, built to the full width of the Premises, and to connect with adjacent taxiway, ramp, and/or auto parking areas so that a continuous and safe pavement section for aircraft use results.

2. The City shall have no responsibility or obligation to make or maintain any Improvements to the Premises or to the public roadway and utility access to the Premises.

B. Plans and Specifications. Lessee shall, at its sole cost and expense, select qualified architects and engineers to prepare, as applicable, the architectural, site, structural, mechanical, and/or electrical drawings and specifications for the Improvements (the “Plans

and Specifications”) as required by the appropriate governmental authorities and in accordance with Applicable Laws. Prior to the commencement of the construction or installation of any Improvements or any modifications thereto, Lessee shall obtain the City’s prior written approval of the relevant Plans and Specifications. The City may refuse to approve such Plans and Specifications at the City’s reasonable discretion and shall provide the reasoning for such disapproval to Lessee, provided, however, that the City’s approval shall not be unreasonably conditioned, withheld, or delayed. The City’s reasoning for disapproval may include, but shall not be limited to, the following: if the Improvements are inconsistent with the requirements of this Agreement, applicable law, rules or regulations, or the lawful direction of a government authority; if the external appearance of the planned Improvements is materially inconsistent with the uniform appearance of existing buildings or structures at the Airport or otherwise does not meet the City’s regulations or policies, if any, relating to substantial uniformity of appearance of all buildings and structures on the Airport or relating to Airport safety; or if the nature of the Improvements is inconsistent with the safe, secure, or orderly use of the Airport by others.

C. Unauthorized Construction. If any construction, improvement, alteration, modification, addition, repair, or replacement that requires City’s approval, under applicable laws and ordinances, local rules and regulations, or FAA requirements, is made without the City’s prior written approval, or that otherwise does not conform with applicable laws, rules, or regulations or the approved Plans or Specifications, the City may, in its sole and unfettered discretion, elect to require Lessee to restore the Premises to its prior condition and/or modify the Premises to the satisfaction of the City. Lessee’s failure to commence and diligently prosecute such removal or modification within thirty (30) days following receipt of notice by the City shall constitute an Event of Default (as defined herein).

D. Qualified Contractors; No Liens. Lessee shall cause all Improvements authorized to be constructed hereunder only by a contractor or contractor(s) properly licensed by the State of Utah. Lessee shall be solely responsible for payment to such contractor(s) for all elements of the construction and installation of Improvements. Lessee shall keep the Premises free and clear of all construction or mechanics liens resulting from any construction or work by or on behalf of Lessee. Lessee may contest the correctness or validity of any such lien, but shall indemnify, defend, and hold harmless the City, its elected representatives, offices, agents, and employees, and the Premises from any and all claims and liability for payment of any such lien. The City may file a notice of no responsibility for its lien protection.

E. Certified Statement of Costs. Within sixty (60) days of the completion of the Improvements, Lessee shall provide the City with a certified statement of all costs actually incurred by Lessee in constructing the Improvements, together with any supplemental or supporting documentation requested by the City to verify such construction costs.

VIII. TITLE; REMOVAL OF IMPROVEMENTS; RETURN OF PREMISES

A. Title. The City shall at all times hold and retain title to and fee simple interest in the Premises. Lessee’s leasehold interest in the Premises shall completely extinguish upon

the expiration or early termination of this Agreement. All existing improvements and personal property on the Premises as of the Effective Date are and shall remain the property of the City. All Improvements or personal property constructed, installed, or placed on the Premises by Lessee during the Term shall remain the property of Lessee, unless such Improvements are deemed abandoned pursuant to Section VIII.B herein.

B. Removal of Improvements. Prior to the expiration or early termination of this Agreement, Lessee, at its sole cost and expense, shall have the right to remove any Improvements placed or erected on the Premises by Lessee. Any Improvements and/or personal property remaining on the Premises after the expiration or early termination of the Agreement shall, at the option of the City, be deemed abandoned and title thereto shall automatically transfer to the City without any claim or right whatsoever by Lessee.

C. Return of Premises. On or before the expiration or early termination of the Agreement, Lessee shall, at Lessee's sole cost and expense: (i) remove all of Lessee's personal property from the Premises, unless otherwise mutually agreed to in writing by the Parties; and (ii) either (a) if Lessee exercises its right to remove its Improvements pursuant to Section VIII.B, return the Premises to the City in as good a condition as it was prior to the erection of the Improvements thereon, or (b) if Lessee does not exercise its right to remove its Improvements, Lessee shall return the Premises and the Improvements to the City in their original condition existing as of the Effective Date or the date upon which the Improvements were completed, respectively. If Lessee fails to return the Premises in accordance with the requirements herein, the City reserves the right to charge Lessee for the cost of the restoration of the Premises and the Improvements (if applicable) and/or removal of any remaining personal property plus reasonable administrative costs.

IX. ENVIRONMENTAL COMPLIANCE

A. Generally. Lessee agrees that in conducting any activities on the Premises or on Airport property pursuant to this Agreement, Lessee shall comply, and require its employees, agents, contractors, and invitees ("Lessee Parties") to comply, with any and all applicable federal, state, and local environmental laws, rules, and regulations and all orders and directives from any government agency having jurisdiction over Lessee, the Airport, and/or the Premises (collectively, "Environmental Laws").

B. Hazardous Materials. Lessee and Lessee Parties shall not use, store, generate, manufacture, produce, handle, treat, dispose, transport, or conduct operations involving Hazardous Materials (defined herein) whether intentionally or unintentionally, at or from the Premises in violation of any Environmental Laws. Without limiting the foregoing, Lessee and Lessee Parties shall not discharge Hazardous Materials into the sewer and/or storm water drainage systems, or cause any Hazardous Materials to be placed, held, stored, processed, treated, released, or disposed of on or about the Premises or Airport in violation of Environmental Laws. Lessee shall, at no cost or expense to the City, promptly remove and remedy, in accordance with the requirements of Environmental Laws, all Hazardous Materials present in, on, under, or migrating from the Premises in violation of Environmental Laws, as a result of the acts or omissions of Lessee or any Lessee Party or its or their use or occupancy of the Premises; provided, however, that Lessee has no

obligation to remove any Hazardous Materials in, on, under, or migrating from the Premises as a result of (i) the acts or omissions of third parties other than Lessee Parties or Lessee's predecessors in interest, or (ii) the acts or omissions of the City, unless Lessee's acts or omissions exacerbated such Hazardous Materials. However, Lessee shall bear the burden of providing evidence to the City that any Hazardous Materials in, on, under, or migrating from the Premises were not exacerbated by the acts or omissions of Lessee and are a result of (x) the acts or omissions of third parties other than Lessee Parties or Lessee's predecessors in interest; or (y) the acts or omissions of the City. As used in this Agreement, "Hazardous Materials" means any elements, compounds, chemicals, substances, flammable materials, explosives, radioactive materials, oil, petroleum, petroleum products, asbestos, lead paint, perfluorooctane sulfonic acids or perfluorooctanoic acids, polychlorinated biphenyls, military or civilian munitions, explosives, materials, or wastes that, because of their quantity, concentration or physical or chemical characteristics pose a present or potential hazard to human health or safety or to the environment including, by way of illustration and not limitation, those which are or become regulated, identified, defined, listed, or otherwise classified as a contaminant, pollutant, toxic pollutant, or toxic or hazardous substance, or a regulated substance under Environmental Laws.

C. Recordkeeping. Lessee shall maintain, in an orderly and easily accessible manner, all correspondence and communications with any governmental authority, records, or other information evidencing its compliance with all Environmental Laws for all Hazardous Materials brought upon, kept, used, stored, generated, or disposed of in, on, or about the Premises, or transported to or from the Premises by Lessee or Lessee Parties. Lessee must maintain these records for the period of time as is required by Environmental Laws or ten (10) years following termination of this Agreement, whichever is longer.

D. Environmental Permits. Lessee, at its expense, shall obtain, maintain, and comply with any and all permits required by any Environmental Laws to conduct its permitted activities on the Premises.

E. Review of Environmental Documents. At the City's written request, Lessee shall make available for inspection and copying, upon reasonable notice and at reasonable times, any and all non-privileged correspondence and communications with relevant governmental authorities and records or other information evidencing its compliance with all Environmental Laws for all Hazardous Materials brought upon, kept, used, stored, generated, managed, or disposed of in, on, or about the Premises, or transported to or from the Premises by Lessee or Lessee Parties.

F. Cooperation with Investigations. Lessee shall cooperate with any investigation, audit, or inquiry by the City or any governmental authority regarding possible violation of any Environmental Laws upon the Premises.

G. Access for Environmental Inspection. The City shall have access to the Premises upon reasonable prior notice to inspect the same in order to confirm that Lessee is in compliance with the requirements of this Section IX; provided, however, that the City may enter the Premises for such purposes without prior written notice in the event of an emergency pertaining to Environmental Laws, as determined by the City. Lessee agrees

to fully cooperate with any such inspections; provided that such inspections shall not unreasonably interfere with Lessee's operations. If the City reasonably believes or has received information leading it to reasonably believe that Lessee's operations are not in compliance with the requirements of this Section IX, then, upon request by the City, Lessee shall conduct such inspection, testing, and analysis as the City reasonably deems necessary to ascertain whether Lessee is in compliance with this Section IX. Lessee shall pay all actual costs associated with any such environmental inspection, testing, and analysis. Any such tests shall be conducted by qualified independent environmental consultants chosen by Lessee, but such environmental consultants, and the scope and the methods of such investigation, shall be subject to the City's approval, which shall not be unreasonably withheld. Lessee shall provide copies of any and all relevant reports prepared by such experts to the City within a reasonable time after Lessee receives such reports.

H. Duty to Notify City. In the event of any release or threatened release of Hazardous Materials caused by or discovered by Lessee or any Lessee Party at, on, under, or about the Premises or the Airport, or in the event any claim, demand, complaint, or action arising under Environmental Laws is made or taken against Lessee with respect to activities on the Premises or the Airport, or if Lessee receives any notice pertaining to Lessee's failure or alleged failure to comply with any Environmental Laws at the Premises, Lessee shall notify City of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice and shall provide the City with copies of any and all claims, demands, complaints, notices, or actions so made no later than twenty-four (24) hours following receipt of the same. If Lessee is required by any Environmental Laws or applicable governmental authority to file any notice or report of a release or threatened release at, on, under, or about the Premises or the Airport, Lessee shall simultaneously provide a copy of such notice or report to the City.

I. Environmental Remediation. Lessee, at its sole cost and expense, shall undertake all necessary steps to remedy and remediate a release of Hazardous Materials or other condition to the extent caused by or resulting from the activities, conduct, or omissions of Lessee or its Lessee Parties, on the Premises or at the Airport, as necessary to reasonably protect the public health and safety to the extent required by Environmental Laws and/or to bring the Premises or the Airport into compliance with all Environmental Laws applicable to the Premises or Lessee's activities thereon. Specific cleanup levels for any environmental remediation work Lessee performs shall be designed to meet and satisfy the requirements of all Environmental Laws applicable to the Premises or Lessee's authorized use thereof. Except in the event of an emergency, such work shall be performed only after Lessee submits to the City a written plan for completing such work and receives the prior approval of the City, which shall not be unreasonably withheld. The City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The actual cost of such review and inspection shall be paid by Lessee. Lessee expressly warrants that all work performed pursuant to this Agreement shall be performed in accordance with all Environmental Laws. Lessee shall not enter into any settlement agreement, consent decree, or other compromise with respect to any claims relating to any release of Hazardous Materials or other condition in violation of Environmental Laws on, at, or from the Premises or the Airport without first notifying the City of Lessee's intention to do so and affording the City a reasonable opportunity to appear, intervene, or otherwise

appropriately assert and protect the City's interest with respect thereto, which appearance or intervention by the City will be at City's sole cost and expense.

J. Obligations Upon Termination. At the expiration or termination of this Agreement, Lessee shall dispose of all Hazardous Materials and containers in compliance with all applicable Environmental Laws and shall complete all actions necessary to bring the Premises into full compliance with this Section IX and all Environmental Laws. Lessee shall provide the City with copies of all waste manifests for Hazardous Materials removed from the Premises at least thirty (30) days prior to the termination or expiration date of this Agreement.

K. Step-In Rights. Notwithstanding Lessee's obligations under this Section IX, the City and any other relevant governmental authorities shall at all times have the right, should Lessee fail to comply with its obligations in subsections I or J of this Section IX, after reasonable advance written notice, which shall include a reasonable opportunity to cure (except where a governmental authority other than the City is empowered by applicable law to act without notice), or immediately, if necessary to prevent additional harm to the environment, to take any and all actions as they individually or collectively may reasonably deem necessary to cease, contain, investigate, remediate, or otherwise respond to a condition which results from, causes, or threatens to cause a release of Hazardous Materials or other condition in violation of Environmental Laws at, under, or about the Premises or at the Airport. Lessee agrees to cooperate with any and all such actions.

L. No City Liability. The City shall not be responsible to Lessee or any Lessee Party for any Hazardous Materials in existence in, on, under, or migrating from the Premises or at the Airport, which condition may interfere with Lessee's operations or activities, or which might otherwise cause damages to Lessee through loss of business, destruction of property, or injury to Lessee, its Lessee Parties, customers, or clients, except to the extent such conditions are caused by the actions or omissions of the City.

M. Remedies Cumulative. Lessee agrees that all remedies of the City as provided in this Section IX with regard to Hazardous Materials, or violations of any Environmental Laws shall be deemed cumulative in nature and the City's right to indemnification as provided under this Section IX shall survive the termination of this Agreement.

N. Survival. The rights and obligations of this Section IX shall survive the expiration or termination of this Agreement and shall bind Lessee's successors and assigns and inure to the benefit of the City's successors and assigns, except those rights and/or obligations which by their nature or context are not intended survive the expiration or termination of this Agreement.

X. TAXES

Lessee covenants and agrees that it will pay, when due, all taxes which may be assessed pursuant to law against the Premises, the Improvements, or any other buildings, improvements, and personal property located on the Premises, or against activities conducted by Lessee. Lessee

shall provide the Airport Manager with satisfactory evidence of such payments within fifteen (15) days from the Airport Manager's written request.

XI. INDEMNITY

A. Indemnification. Lessee shall, at its sole cost and expense, defend, indemnify, save, protect, and hold harmless the City, the Airport, the Heber City Council, and the Airport Advisory Board (the "AAB"), individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers (the "Indemnified Parties") from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the Indemnified Parties, individually and collectively, arising out of or in connection with the activities of Lessee or Lessee's officers, employees, agents, contractors, or invitees at the Airport; provided, however, that Lessee shall have no obligation to indemnify under this Section XI.A to the extent such claim arises from the gross negligence or willful misconduct of the Indemnified Parties.

B. Environmental Indemnification. Additionally, Lessee shall defend, indemnify, save, protect, and hold harmless the Indemnified Parties in the event of an environmental contaminating accident or incident, release of any Hazardous Materials, or any violation of Section IX, to the extent such accident, incident, release, or violation is caused by Lessee, Lessee Parties, or any other personnel used by Lessee to maintain Lessee's facilities, vehicles, equipment, or aircraft.

XII. INSURANCE

A. Insurance. Prior to the commencement of the Term and at all times throughout the Term of this Agreement, Lessee shall obtain and maintain from a reliable insurance company or companies rated AM Best A or better authorized to do business in the State of Utah insurance in the types and amounts required by the City pursuant this Section XII and, if applicable, the Minimum Standards, or as the City may otherwise reasonably request during the Term on not less than thirty (30) days written notice to Lessee.

B. Insurance Types and Coverages. Types and limits of insurance required as of the Effective Date are as follows:

1. *General and Aircraft Liability Insurance.* Lessee shall obtain and maintain comprehensive general and aircraft liability insurance for personal and bodily injury (including passengers), death, property damage, and passenger liability with a combined single limit for each occurrence in at least the following amounts: (a) \$1,000,000 for each aircraft; (b) \$100,000 for each passenger; (c) \$1,000,000 for premises liability.

2. *Hangar Keeper's Liability Insurance.* If Lessee intends to store any aircraft not owned or leased by Lessee but otherwise approved under this Agreement on the Premises, Lessee shall obtain and maintain hangar keeper's liability insurance for at least the full value of the non-owned aircraft in Lessee's care, custody, or control.

3. *Automobile Liability Insurance.* Lessee shall obtain and maintain comprehensive automobile liability insurance at a combined single limit coverage of at least \$1,000,000 (bodily injury and property damage).

4. *Builder's Risk Insurance.* During any period of construction, reconstruction, or renovation of the Improvements, Lessee shall provide, or cause to be provided, builder's risk insurance as to all items of construction with coverage at least equal to the total amount of the construction contract(s) for all such construction activities.

5. *Property.* Lessee shall obtain and maintain "All Risk" property insurance in an amount at least equal to the full replacement value of all Improvements, facilities, and personal property located on the Premises. The City will not carry insurance or be liable for damage or loss to Lessee's Improvements, facilities, or personal property.

C. Proof of Insurance. Lessee shall submit certificates of insurance to the City prior to the commencement of the Term and annually thereafter, and at any time upon the request of the City. The insurance policy or policies required hereunder shall contain an endorsement which provides that Lessee is named insured as it pertains to this Agreement. Prior to the commencement of the Term and each time the policy renews, concurrently with the annual payment of Rent, or upon the City's request, Lessee shall provide the Airport Manager a copy of the policy endorsement naming Heber City Corporation as an additional insured under the policy.

D. Policy Requirements. All insurance coverages required under this Agreement shall (i) include the City and its officers, agents, and employees as additional named insured, (ii) provide thirty (30) days' prior written notice of cancellation, modification, or intent not to renew the policy, with such notice being effective upon the City's receipt of said notice, (iii) stipulate that the policy provided coverage is not subordinate to nor contributing with any other insurance coverage held or maintained by the City; (iv) include a waiver of subrogation, except for automobile and aircraft liability insurance, and (v) list any and all exclusions. Notice by the insurer shall be effective upon the receipt of said notice by the City. Lessee shall notify the City of any modification which affects the leasehold premises, termination or cancellation of any policy of insurance secured by Lessee pursuant to this paragraph as soon as Lessee learns of any such modification, termination, or cancellation.

E. Application to Others. Lessee shall require all contractors, subcontractors, agents, or workers performing work or occupying the Premises to be properly licensed and to obtain an insurance coverage meeting the requirements of this Section XII, as evidenced by a certificate of insurance. Lessee shall require that all such parties submit certificates of such insurance to the City prior to performing work or occupying the Premises. The insurance provisions herein shall likewise apply to any permitted assignee, sublessee, or transferee of Lessee.

F. No Limitation of Liability or Waiver. The procuring of such policy or policies of insurance shall not be construed to be a limitation upon Lessee's liability or satisfaction or a waiver of Lessee's indemnification obligations under this Agreement.

XIII. MAINTENANCE AND REPAIR

A. City Maintenance Obligations. The City shall be responsible for the maintenance of the shared public spaces and common use areas of the Airport. The City shall provide for the removal of snow and ice from the airfield and the Pavement Area, excluding any parking and side lots and any area within six (6) feet of any hangar on the Premises; provided, however, that priority of snow removal shall be in accordance with the City's snow removal plan, attached as **Exhibit 2** ("Snow Removal Plan"), as it now exists or as it may be amended in the City's sole discretion.

B. Lessee Maintenance Obligations. Lessee, at its sole cost and expense, shall be responsible for all other maintenance and repairs to the Premises, the Improvements, and the utilities thereon, including but not limited to the obligations set forth in this Section XIII.B.

1. Lessee shall keep and maintain the Premises, the Improvements, and any other improvements and personal property thereon in good and repair and in sanitary and slightly condition, reasonable wear and use excepted. Lessee agrees to provide at its own expense such janitorial and cleaning services and supplies, trash removal services, and any related services as may be necessary or required in the operation and maintenance of the Premises.

2. Lessee shall maintain the Premises, including all pavement areas on the Premises, in a manner which is safe and clean of debris so as not to cause danger or unsafe conditions for taxiing aircraft or other Airport users. Seal coat, crack seal, and paint are required to maintain all pavements in good condition. Lessee shall repair any cracked or damaged pavements as needed or upon the request of the City.

3. Except as provided above in Section XIII.A., Lessee shall provide for the removal of snow and ice from its Premises, including but not limited to stairs, walkways, ledges, roads, paved areas, parking areas, and the perimeter of any hangar buildings. Lessee shall not place snow from its Premises on any other area of the Airport without prior written authorization from the Airport Manager.

4. Lessee shall be responsible for all landscaping and weed removal on the Premises.

5. Lessee shall exercise due and reasonable caution to prevent fire, accidents, hazards, and nuisances on the Premises.

C. Failure to Maintain. In the event that Lessee fails to keep and maintain the Premises or Improvements in good condition and repair, reasonable wear and use excepted, for a period of thirty (30) days after written notice from the City to do so, the City, upon the expiration of such thirty (30) day period, may, but shall not be obligated to, enter upon the Premises and perform the obligation of Lessee, and charge Lessee the cost and expense thereof, including any reasonable administrative costs. Lessee shall pay the City such charge in addition to any other amounts payable by Lessee. Notwithstanding the foregoing, if Lessee's failure to perform any such obligation adversely affects or endangers the health

or safety of the public, other Airport users or tenants, or of employees of the City in the reasonable judgment of the City, and if the City so states in its notice to Lessee, the City may, but shall not be obligated to, perform such obligation of Lessee at any time after providing such notice, at Lessee's sole cost and expense. The City shall not be liable to Lessee for any loss whatsoever resulting from the City's performance hereunder.

XIV. UTILITIES AND SERVICES

A. Lessee's Obligations. Lessee agrees to provide for its own connections with utilities and to make separate agreements with the agencies responsible for these utilities. Lessee shall pay for all utility service supplied to the said Premises, and if required by the utility agencies as a condition of continued said services, Lessee shall install and pay for standard metering devices for the measurement of such services. Lessee shall be solely responsible for all utility charges, including without limitation natural gas, electricity, sewer, and water used on the Premises during the Term.

B. City's Reservation of Rights. Lessee agrees that the City shall have the right, without cost or compensation to Lessee, to install and maintain in, on, under, or across the Premises utilities (including sewer, water, gas, electric and telephone lines, electric substations) or other installations necessary to the operation of the Airport, or to service other tenants of the City; provided the City shall carry out such work and locate above-ground structures in a manner so as not to unreasonably interfere with Lessee's use of the Premises. The rights of Lessee under this Agreement shall not be construed to confer any right upon Lessee concerning the use or operation of any such utilities, installations, or any other facilities at the Airport, except the Premises and other rights specifically described herein.

XV. COMPLIANCE WITH LAWS

Lessee shall comply, and cause Lessee Parties (as defined in Section IX) to comply, with any and all current and future laws, ordinances, rules, regulations, and orders issued or promulgated by any governmental authority governing or otherwise applicable to Lessee, the Airport, this Agreement, the Premises, or Lessee's use of the Premises, including but not limited to the Rules and Regulations, as amended from time to time, and all permits and licenses which may be necessary or required for the Permitted Use, including but not limited to the construction of the Improvements. Upon the City's written request, Lessee shall verify, within a reasonable time, compliance with any such applicable laws and regulations.

XVI. PERMITS, LICENSES, AND CERTIFICATES

During the Term, Lessee shall obtain and maintain any and all permits, licenses, and certificates which may be required in connection with the improvement and use of the Premises and its operations thereon, including but not limited to the construction of the Improvements.

XVII. QUIET ENJOYMENT

The City agrees that, on payment of the rentals, fees, and charges as herein provided and performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the Premises and all the rights and privileges of the Airport, its appurtenances, and facilities granted herein. Lessee agrees that temporary inconveniences, including but not limited to noise, disturbances, traffic detours, and the like resulting from, caused by, arising out of, or associated with the City's operation, construction, maintenance, or repair of the Airport, including but not limited to improvements thereon, or associated with special events that the City or others may from time to time host on the Airport, shall not constitute a breach of this Section. The City shall provide Lessee with reasonable prior notice of any planned temporary inconveniences or special events and shall take reasonable steps to mitigate the impact of such inconveniences so that they do not unreasonably interfere with Lessee's use of the Premises.

XVIII. DISPUTE RESOLUTION

Any dispute arising out of, relating to, or in connection with this Agreement, including any question regarding an alleged Event of Default (as defined below) or the Agreement's existence, validity, or termination, shall be resolved as set forth in the dispute resolution procedures attached in **Exhibit 3** ("Dispute Resolution Protocol"). In the event of litigation commenced in accordance with the Dispute Resolution Protocol, the prevailing Party (as determined by a final judgment) shall be entitled to recover its reasonable attorney's fees, expert-witness costs, and court costs from the other Party.

XIX. SUBLEASES, ASSIGNMENTS, AND TRANSFERS

A. City Consent Required. Lessee shall not assign or sublet this Agreement or the Premises, nor may it transfer the management and operation of the Premises, without the prior written consent of the City, such consent not to be unreasonably withheld, conditioned, or delayed. The City may withhold consent to an assignment, sublease, or transfer under any of the following circumstances, without limitation: (i) Lessee is in default of its obligations under this Agreement; (ii) the proposed assignee lacks the financial capability to comply with the terms and conditions of this Agreement or the ability to operate the facilities according to the terms and conditions of this Agreement and, if applicable, the Minimum Standards; (iii) the proposed assignee would not assume all of Lessee's obligations under this Agreement, without condition or qualification; or (iv) the proposed assignment would violate any obligation of the City, including without limitation the Grant Assurances. Any purported assignment or sublease in violation of this Section XIX shall be null and void.

B. First Right of Refusal for Sale of Hangar. Notwithstanding the foregoing, if Lessee desires to sell or otherwise transfer its interest in this Agreement, including its leasehold interest in the Premises and ownership interest in the Improvements thereon, and has obtained a bona fide offer for such sale, Lessee must first offer to sell or otherwise transfer such interest to the City, at the price and on the same terms as such bona fide offer, and the City shall have the right to purchase Lessee's interest under such terms. Such offer must be in writing and provide a copy of the sales agreement showing all terms and conditions

of the proposed sale. The City shall have the right for a period of twenty-one (21) days after receipt of the offer from Lessee to elect to purchase Lessee's interest (the "Election Period"). If the City does not desire to purchase Lessee's interest, Lessee may then sell or otherwise transfer its interest in this Agreement to the person making the said offer, at the price and terms set forth in the offer, subject to the requirements of this Section XIX, including but not limited to the City's prior written consent under subsection A above. If Lessee fails to close such sale within one hundred twenty (120) days after the expiration of the Election Period, any proposed sale or other transfer thereafter shall again be subject to this Section. This right of the City shall be continuing and shall survive any sale or other transfer of Lessee's interest under this Agreement. The intent of this Section is to require all of Lessee's interests in this Agreement be sold or otherwise transferred intact, without fractionalization.

C. Sale to Third-Party Buyer. In the event Lessee's interest in the Agreement (including the Improvements) are sold to a third-party buyer prior to the end of the Term:

1. This Agreement shall automatically terminate upon the closing of such sale and the City will enter into a new lease between the City and the buyer that is based upon such terms and conditions, including rental rates, of the then-current Airport standard lease form being offered by the City, provided: (i) Lessee is not in default in the payment of any Rent or in any other provisions of this Agreement, is in good standing at the Airport, and submits a current certificate from the City Building Inspector to the Airport Manager that the Improvements are structurally sound and is projected to be sound for the duration of the new lease; and (ii) the new lease is consistent with the Airport's Master Plan then in effect and all federal rules, regulations, directives, and guidelines or other obligations with respect to the Airport, including but not limited to the Grant Assurances; and

2. Lessee shall pay a transaction fee shall to the City based upon the sales price or the current assessor's valuation, whichever is higher, at the time of the sale prior to a new lease being issued according to the then-approved Heber City Consolidate Fee Schedule.

D. Sale to City. In the event the Improvements are sold to the City prior to the end of the Term, the City may deduct from the purchase price any unpaid Rents or amounts due under this Agreement and, upon the closing of such sale, this Agreement shall automatically terminate.

E. Surviving Obligations. Notwithstanding the foregoing, the sale of Lessee's interests in this Agreement pursuant to this Section shall not relieve Lessee of its obligations that expressly or by their nature survive termination of this Agreement, including but not limited to Lessee's environmental obligations and obligation to pay the City Rents and other amounts due under this Agreement that accrued prior to the closing of the sale.

F. Administrative Costs. The City has the option, in its sole discretion, to charge to Lessee for reasonable administrative costs actually incurred when reviewing and processing any requests for assignment, sublease, or transfer pursuant to this Section XIX.

XX. LEASEHOLD MORTGAGES

A. Generally. Upon prior written notice to the City, Lessee shall have the right to mortgage or collaterally assign its interest in this Agreement to a bank or other similar intuitional lender (the “Mortgagee”), provided that any such leasehold mortgage or collateral assignment shall be in compliance with this Section XX and shall be subject, subordinate, and inferior at all times to the rights of the City under this Agreement (a “Leasehold Mortgage”) and further provided that Lessee’s notice to the City of the same shall include the name and address of the Mortgagee and a true copy of the Leasehold Mortgage. The term “Leasehold Mortgage” as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee’s leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred to secure a debt or other obligation, in connection with the construction of the Improvements.

B. Requirements. In connection with a Leasehold Mortgage, at a minimum the following shall apply: (i) such encumbrance shall only encumber Lessee’s leasehold interest for the purpose of securing financing for Lessee’s authorized Improvements and no other encumbrance shall be permitted; (ii) such encumbrance shall be subordinate to the City’s interests; (iii) the Mortgagee or other lienholder must agree to maintain current contact information with the City and provide the City with concurrent copies of any notices or communications regarding a default; (iv) the Mortgagee or other lienholder must certify to the City that it has reviewed this Agreement and has accepted provisions that may affect the Mortgagee or other lienholder, and that no loan requirements conflict with or erode any provisions of this Agreement; (v) any Lessee default relating to such encumbrance shall be a default of this Agreement; (vi) the Mortgagee or other lienholder must agree that upon any default, the City shall have a lien with first priority on all Lessee-owned property at the Premises, including the Improvements; (vii) the Mortgagee or other lienholder must agree that the City has complete and sole discretion as to whether to approve the substitution of a tenant by the Mortgagee or other lienholder and whether the City terminates this Agreement (which would result in a termination of the Mortgagee’s or other lienholder’s interests in this Agreement); and (viii) such encumbrance shall terminate prior to the expiration or termination of this Agreement and the Mortgagee or other lienholder must agree to promptly remove such encumbrance when the obligation that it secures has been satisfied.

C. Notice of Default or Termination. The City, upon providing Lessee any notice of default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section XX.A above.

D. Opportunity to Cure. The Mortgagee shall have the right to remedy any default under this Agreement or cause the same to be remedied and the City shall accept such performance by or at the insistence of such Mortgagee as if the same had been made by Lessee. From the date Mortgagee receives notice of an occurrence of default as provided this Section, there shall be added to any grace period allowed by the terms of this Agreement, an additional ten (10) days in the case of default in payment of Rent and an

additional thirty (30) days in the case of all other defaults, for such Mortgagee to cure the same beyond the time allowed to Lessee. In case of a default, other than failure to pay Rent, the City shall not be empowered to terminate this Agreement by reason of the occurrence of such default if Mortgagee, within thirty (30) days after the giving of notice of such default, commences foreclosure or similar proceedings under the Leasehold Mortgage for the purpose of acquiring Lessee's interest in this Agreement and thereafter diligently prosecutes the same, and shall bring current all payments of Rent and all other sums payable by Lessee hereunder. The Mortgagee may become the legal holder of the leasehold estate under this Agreement by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Agreement in lieu of foreclosure. While such Leasehold Mortgage is in effect, the City shall not accept any surrender or cancellation of this Agreement by Lessee or amend or modify any material provision of this Agreement without the Mortgagee's prior written consent, which such consent shall not be unreasonably withheld or delayed.

E. Assignment. The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants, or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants, and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Improvements on the Premises shall have been or become materially damaged on, before, or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace, or reconstruct the damaged Improvements.

XXI. DEFAULT AND REMEDIES

A. Default. The occurrence of any of the following, in addition to those specified elsewhere in this Agreement, shall constitute a material breach of this Agreement by Lessee (each, an "Event of Default"):

1. Lessee's failure to pay Rent or any other amounts due hereunder within ten (10) business days of the due date thereof.

2. Lessee's failure to perform or observe any of Lessee's obligations under this Agreement (including those obligations set forth in this Section XXI) that are left uncured for a period of thirty (30) business days after Lessee receives written notice from the City setting forth the failure in question and an opportunity to cure (or, if cure of such failure cannot reasonably be accomplished in the thirty (30) day period, Lessee's failure to commence cure in such period and diligently prosecute the same to completion); provided, however, that the City may in its discretion

shorten the applicable cure period in the event of a lapse in required insurance or any condition which creates an imminent safety risk to users of the Airport.

3. Lessee's material default on the covenants and obligations set forth in any other written agreement between the City and Lessee concerning the use or lease of Airport property, as determined by a court of competent jurisdiction's final, non-appealable judgment, after first being provided all applicable notice and cure periods and participating in the agreed upon dispute resolution procedures, if any, thereunder.

4. Lessee's abandonment of the Premises.

5. Lessee's becoming insolvent, taking advantage of any insolvency law or bankruptcy protection, making of a general assignment for the benefit of creditors, or consent to liquidation of all or substantially all of its assets.

6. The assessment of a tax lien or mechanic's lien upon the Premises for unpaid taxes or work that is not resolved within sixty (60) days of Lessee receiving notice of such lien.

7. The filing by Lessee of a voluntary petition in bankruptcy.

8. The institution of proceedings in bankruptcy against Lessee and the adjudication of Lessee as bankrupt pursuant to such proceedings if such adjudication is not vacated or stayed during the sixty (60)-day period following such adjudication.

9. The taking by a court of Lessee and its assets pursuant to proceedings brought under the provisions of any state or federal reorganization act if the judgment of the court is not vacated or stayed during the sixty (60)-day period following such judgment.

10. The appointment of a receiver of Lessee's assets if such appointment by a court is not vacated or stayed during the sixty (60)-day period following such appointment.

11. Lessee's assignment, sublease, transfer, or other conveyance of an interest in this Agreement in violation of Section XIX.

12. Lessee's breach or default of any Leasehold Mortgage (as defined in Section XX herein).

B. Remedies. If an Event of Default occurs, the City, in addition to any remedies available under applicable law, subject to the dispute resolution procedures specified in Section XVIII, may do any one or more of the following:

1. The City may elect to terminate this Agreement.

2. Whether or not this Agreement has been terminated, the City may re-enter and repossess the Premises and may either in its own name, as agent for Lessee if this Agreement has not been terminated, or for its own behalf if this Agreement has been terminated, relet all or any part of the Premises; provided that City shall not be required to accept any tenant proposed by

Lessee, or observe any instruction given by Lessee about such reletting. No such re-entry or taking possession of the Premises shall be construed as an election on the City's part to terminate this Agreement unless written notice of such election by the City is given to Lessee. Notwithstanding any such reletting without termination, the City may at any time thereafter elect to terminate this Agreement for any previous breach or default.

3. City may from time to time, without terminating this Agreement, enforce all of its rights and remedies under this Agreement.

C. Mitigation of Damages

Following any Event of Default by Lessee, the City shall use commercially reasonable efforts to mitigate its damages. The City's obligation to mitigate damages after an Event of Default by Lessee under this Agreement that results in the City regaining possession of all or part of the Premises shall be satisfied in full if the City undertakes to re-let the Premises to another grantee (a "Substitute Grantee") in accordance with the following criteria:

1. The City shall have no obligation to solicit or entertain negotiations with any prospective Substitute Grantee until the City obtains full and complete possession of the Premises including, without limitation, the final and unappealable legal right to re-let the Premises free of any claim of Lessee;

2. The City shall not be obligated to lease the Premises to a Substitute Grantee for a rental less than fair market rent then prevailing for similar space on the Airport;

3. The City shall not be obligated to enter into a new lease under terms and conditions that are unacceptable to the City under the City's then-current leasing policies for comparable space on the Airport, or incompatible with the Master Plan, Minimum Standards, Rules and Regulations, or Grant Assurances; and

4. The City shall not be obligated to enter into a lease with any proposed Substitute Grantee that does not have sufficient financial resources to maintain the Premises and operations in a first-class manner and pay all rents payable pursuant to this Agreement.

XXII. RIGHTS OF CANCELLATION AND RELOCATION

A. City's Right of Cancellation or Relocation. In addition to the City's rights under Section XXI, in the event the City determines that it requires use of the Premises for a public purpose or if proper, planned, and orderly development of the Airport shall require that the City devote any part of the Premises to a different use than that contemplated by this Agreement, or in the case of an emergency, the City may take either of the following actions:

1. The City may terminate this agreement upon no less than one hundred twenty (120) days' prior written notice to Lessee, except in the case of an emergency, which shall only require sixty (60) days' prior written notice, and, upon such termination, shall pay Lessee an amount equal to the unamortized value of the Improvements, calculated on a straight-line basis

from the date such Improvements were substantially completed through the then-remaining Term of this Agreement.

2. The City may elect to relocate Lessee's leased premises to another area on the Airport upon no less than one hundred and twenty (120) days' prior written notice to Lessee, except in the case of an emergency, which shall only require sixty (60) days' prior written notice; provided the City (a) provide Lessee with a replacement premises of no less area and that is substantially similar to the vacated premises, (b) pay the associated costs of relocating the Improvements thereto, (c) recalculate the Rent (if necessary) pursuant to Section IV to reflect the square footage and fair market value of the replacement premises, and (d) amend this Agreement to reflect such relocation. Except as expressly provided herein, all terms and conditions of this Agreement shall apply to the relocated premises and shall continue in full force and effect for the remainder of the Term.

B. Lessee's Right of Cancellation. Lessee may terminate this Agreement without cause with thirty (30) days' prior written notice to the Airport Manager. In the event of such cancellation, Lessee may remove its Improvements and shall restore and return the Premises in accordance with the requirements of this Agreement. If Lessee fails to remove its Improvements and restore the Premises, then the City may do so at Lessee's sole cost and expense.

XXIII. RIGHT OF ENTRY AND INSPECTION

The City may enter upon the Premises at any reasonable time for any purpose necessary, incidental to, or connected with the performance of its obligations under this Agreement, in the exercise of its governmental functions, or in the event of any emergency. Except in the case of the City's governmental functions or an emergency, the City shall give Lessee reasonable advance notice prior to City's entry into Lessee's buildings and improvements.

XXIV. FORCE MAJURE; DESTRUCTION OF PREMISES

A. Neither Party shall be in violation of this Agreement by reason of failure to perform any of its obligations by reason of strikes, boycotts, labor disputes, embargoes, unforeseen shortages of materials, acts of God, acts of public enemy, substantial non-temporary flight restrictions, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible and which are not within its control (each, a "Force Majeure Event"). Upon the cessation or removal of the act or condition giving rise to the excuse of any obligation under this Agreement, the Party so excused from its obligation shall perform as required under this Agreement. Notwithstanding the foregoing, Lessee shall not be relieved of paying any Rent, fees, or other charges due to or during a Force Majeure Event. The Party claiming force majeure shall notify the other Party in writing within five (5) business days following any event or occurrence causing the delay and extent of the delay which may be incurred. Failure to timely so notify shall bar such Party from asserting any claim for that delay.

B. If the Improvements become damaged or destroyed in whole or in part, by a Force Majeure Event or any other casualty at any time during the Term so that the same cannot

be repaired within ninety (90) days, Lessee will notify the City in writing within ninety (90) days of the casualty indication whether Lessee will either (i) restore and reconstruct the improvements within one (1) year from the date of the casualty to substantially the same condition the Improvements were in immediately prior to the happening of such casualty, or (ii) terminate the Agreement after restoring the Premises to substantially the same condition it was in prior to constructing the Improvements, to be completed within ninety (90) days of such notice.

C. In no event shall the City be liable to Lessee for any damages resulting to Lessee from the occurrence of a Force Majeure Event or other casualty, from the repair or construction of the Premises, or from the termination of this Agreement under Section XXIV.B.

XXV. EMINENT DOMAIN

A. Allocation of Proceeds. In the event of a condemnation or a taking by the use of eminent domain of all or any part of the Premises, all proceeds of such condemnation or taking shall be apportioned to the City and Lessee as follows:

1. The amount awarded for the taking of the Premises shall belong to the City;
and

2. Lessee shall have the right to recover such compensation as may be awarded on account of the value of the Improvements owned and/or made by Lessee, for moving and relocating expenses, for the value of its leasehold interest in the Premises, including but not limited to the loss, if any, sustained by Lessee as a result of the termination of this Agreement for loss of fixtures, moving expenses, and attorneys' fees and costs, and for any other damages sustained by Lessee as a result of such condemnation, provided that Lessee may not pursue the City for any such costs unless the City is the entity condemning or taking the Improvements.

B. Termination of Agreement. If the condemnation or taking by eminent domain is such that Lessee cannot reasonably or safely use the Premises, then at Lessee's option, the Agreement may be terminated upon sixty (60) days' prior written notice to the City.

C. Continuation of Agreement. In the event of a partial condemnation of the Premises where Lessee still has reasonable use of the Premises, this Agreement shall not be terminated, provided there is an equitable reduction in the amount of Rent payable under this Agreement based on the reduction in square footage. If required by the Mortgagee (if any), all proceeds for a condemnation shall be held by such Mortgagee and distributed by such Mortgagee for the payment of repairs or restoration to the Premises in accordance with the procedures set forth in the Leasehold Mortgage (or such other documents executed in connection therewith).

XXVI. NOTICES

All fees payable and notice given under this Agreement to the City shall be delivered to the Heber City Airport Manager, c/o the Heber City Treasurer, 75 North Main Street, Heber City, Utah 84032, or such other place as City shall specify in writing.

All notices given under this Agreement to Lessee shall be sent to:

Name: _____

Address: _____

City/State/Zip: _____

Email: _____

Any notices will be deemed to have been given if such written notice is mailed, postage prepaid, first class or registered mail to the addresses above. In addition, any notice that is received by the party, through hand-delivery, email or other means, shall be deemed given. Either Party may change the address to which notices shall thereafter be given upon five (5) days' prior written notice to the other Party.

XXVII. SUBORDINATION

A. Grant Assurances. This Agreement shall be subordinate to the provisions of any existing or future agreements between the City and the United States of America, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City of federal funds for the development of the Airport (the "Grant Assurances"). In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates the terms of any the Grant Assurances, the City may unilaterally amend, alter, or otherwise modify the terms of this Agreement in order to resolve such conflict or violation without compromising or destroying any remaining portions of this Agreement, and such remaining provisions shall remain binding and in full effect upon the parties as if no such amendment or alteration had occurred, or, if such conflict or violation cannot be so resolved, City may at its election terminate this Agreement on not less than sixty (60) days' notice thereof, without any liability to Lessee.

B. City's Interests. Lessee hereby subordinates and makes this Agreement inferior to all existing and future mortgages, trust indentures, or other security interest of the City or the City's successor in interest. Lessee shall execute and deliver any documents required to evidence and perfect such subordination.

XXVIII. FEDERAL CLAUSES

Lessee acknowledges that the City is required by the FAA under the terms of its Grant Assurances to include in this Agreement certain required contract provisions, included as **Exhibit 4** hereto ("Federal Clauses"). Lessee agrees to comply with the Federal Clauses and,

where applicable, include the Federal Clauses in each of its subcontracts without limitation or alteration. In the event such Federal Clauses are modified by the FAA or other federal agency with jurisdiction, and the City provides Lessee with not less than thirty (30) days' written notice of such modification, Lessee agrees to comply with the modified Federal Clauses without written amendment of this Agreement. Unless prohibited by federal law, the City shall provide Lessee with notice and a reasonable opportunity to cure before exercising any right of termination provided by the Federal Clauses. Lessee acknowledges that a failure to comply with the Federal Clauses pursuant to this Section XXVIII constitutes an Event Of Default.

XXIX. NO EXCLUSIVE RIGHTS

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. § 40103(e).

XXX. NO WAIVER OF RIGHTS

No delay or omission in the exercise of any right or remedy of either Party on any default by either Party of its respective obligations under this Agreement shall impair such a right or remedy or be construed as a waiver. Any waiver by either Party of any default on the part of the other must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

XXXI. AVIGATION EASEMENT

The City reserves for the use and benefit of the public, the right of aircraft to fly in the airspace over the Premises, together with the right of said aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the Airport, and the right to pursue all operations of the Airport.

XXXII. NON-INTERFERENCE WITH AIRPORT OPERATIONS

Lessee expressly agrees for itself, its successors and assigns, and all other Lessee Parties that Lessee shall not conduct operations in or on the Premises in a manner that (i) interferes or might interfere with Airport operations or the reasonable use by others of other leased spaces or common facilities at the Airport, (ii) hinders or might hinder police, fire fighting, or other emergency personnel in the discharge of their duties, (iii) would or would be likely to constitute a hazardous condition at the Airport, (iv) would or would be likely to increase the premiums for insurance policies maintained by the City unless such operations are not otherwise prohibited hereunder and Lessee pays the increase in insurance premiums occasioned by such operations, (v) is contrary to any applicable Grant Assurance; (vi) would contradict or violate any applicable laws or regulations, directive, or similar restriction issued by any governmental authority having jurisdiction over the Airport, including the City, FAA, DHS, TSA, and Customs and Border Patrol, (vii) would involve any illegal purposes, or (viii) directly or indirectly interferes with the operation by the City or the FAA of air navigational, communication, or flight equipment on the Airport. In the event this covenant is breached, the City reserves the right, after prior written notice to Lessee, to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

The City shall have the right to take any action it considers necessary to protect aerial approaches of the Airport against obstructions, together with the right to prevent Lessee from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. In the event of a breach in Airport security caused by Lessee, resulting in fine or penalty to the City of which Lessee has received prior written notice, such fine or penalty will be charged to Lessee.

XXXIII. EMERGENCY CLOSURES

During time of war or national emergency, the City shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities, and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with provisions of the agreement with the United States Government, will be suspended. Lessee must comply with all local, state, and federal orders, directives, regulations, guidance, and advisories during public emergencies. Public emergencies include, but are not limited to, national, state, and local security emergencies; public health emergencies and pandemics; evacuations; chemical spills; shelter-in-place alerts; severe weather advisories; boil water advisories; and roadway interruptions. Lessee's failure to comply with any local, state, or federal orders, directives, regulations, guidance, or advisories during a public emergency shall constitute a breach of this Agreement. The City shall have sole discretion in determining if Lessee is compliant with the above. If a public emergency is declared, the City will not be responsible for any expenses or losses incurred as a result of any public emergency.

XXXIV. LIMITATION OF LIABILITY

The City shall not be liable to Lessee or Lessee Parties for any damages or loss caused to them or their property by any of the following: Force Majeure Events, water, rain, wind, snow ice, sleet, hail, fire, storms, earthquake, volcanic eruption, or any other weather event or condition outside of the City's control; any Airport tenant, user, operator, or any other third party; or by breakage, stoppage, or leakage of utilities on or adjacent to the Premises. In the event of damage or destruction to the Premises, the City is under no obligation to provide substitute space to Lessee.

XXXV. GOVERNING LAW; VENUE

This Agreement shall be construed in accordance with and governed by the laws of the State of Utah, notwithstanding any conflict-of-law principles. Venue for any action brought pursuant to this Agreement shall be the Fourth Judicial District, Wasatch County, District Court.

XXXVI. TIME OF THE ESSENCE

Time is of the essence in the performance of all of each Party's respective obligations under this Agreement.

XXXVII. AMENDMENTS

No amendment to this Agreement shall be binding on the City or Lessee unless reduced to writing and signed by both Parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.

XXXVIII. SEVERABILITY

If any provision of this Agreement is held to be illegal, invalid, or unenforceable in full or in part, for any reason, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid, and enforceable, and the other provisions of this Agreement shall not be affected thereby.

XXXIX. MERGER

This Agreement constitutes the final, complete, and exclusive agreement between the Parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither the City nor Lessee has relied on any statement, representation, warranty, nor agreement of the other except for those expressly contained in this Agreement.

XL. HEADINGS

The headings used in this Agreement, including but not limited to those headings used at the beginning of each numbered section herein, are solely for the convenience of the reader and shall not be construed as part of the agreement between the Parties.

XLI. RELATIONSHIP OF PARTIES

This Agreement does not create any partnership, joint venture, employment, or agency relationship between the Parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

XLII. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement of the parties regarding the matters described herein, and any representations or understandings not included herein shall have no effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be duly executed, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

HEBER CITY, a Municipal Corporation

APPROVED:

LESSEE:

Mayor

By: _____
Title:

Date

Date

ATTEST:

City Recorder

Date

APPROVED AS TO FORM:

City Attorney

Date

Exhibit 1

Premises

[TBD]

Exhibit 2

Snow Removal Plan

[TBD]

Exhibit 3

Dispute Resolution Protocol

- A. Notice and Opportunity to Cure. Unless a shorter cure period or right to immediate termination is expressly provided in this Agreement, no Party shall be considered in default of any provision of this Agreement, or any covenant or obligation pertaining to the use or occupancy of Airport property, and no right of termination shall arise, unless and until the counter-Party has provided such Party with written notice of default and not less than ten (10) business days to cure such default.

- B. Jurisdiction, Venue and Applicable Law. With respect to an action to enforce the terms and conditions of this Agreement only, the Parties consent to the exercise of jurisdiction of Fourth Judicial District, Wasatch County, District Court and hereby agree that the venue of any action with respect to the enforcement of the terms and conditions of this Agreement shall be properly placed before this same court. This Agreement shall be interpreted under the laws of the State of Utah.

- C. Emergency Relief. No Party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and is not otherwise available under this Agreement.

- D. FAA Disputes. The Parties understand and acknowledge the FAA's exclusive jurisdiction to determine the City's compliance with its federal Grant Assurance obligations (a "Compliance Dispute"), and that any remedies which may be imposed by the FAA for noncompliance therewith are exclusive. Accordingly, in the event of a Compliance Dispute, and after exhausting the procedures described in Paragraphs A and B hereof, either Party may initiate an informal or formal complaint proceeding with the FAA in accordance with 14 C.F.R. Parts 13 and 16 or similar succeeding provisions, without regard to the other provisions hereof.

Exhibit 4

FAA Required Contract Clauses

NON-REVERSIONARY GROUND LEASE AGREEMENT

HEBER CITY AIRPORT

BETWEEN

HEBER CITY CORPORATION

AND

[_____]

[_____, 20__]

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NON-REVERSIONARY GROUND LEASE AGREEMENT

This Non-Reversionary Ground Lease Agreement (“Agreement”) is made and entered into this ___ day of _____, 20__ (the “Effective Date”), by and between the Heber City Corporation (the “City”) and _____, a _____ (“Lessee”) (collectively, “Parties” and each individually, “Party”).

RECTIALS

WHEREAS, the City owns and operates the Heber Valley Airport located in Heber City, Wasatch County, Utah (the “Airport”), and is the sponsor of the Airport under federal law; and

WHEREAS, Lessee desires to lease a parcel of land on the Airport for the purpose of erecting and/or maintaining an aircraft hangar owned by Lessee for the personal storage of Lessee’s aircraft; and

WHEREAS, Lessee shall use the Premises as herein defined only for such uses and purposes that are expressly set forth in this Agreement.

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

I. PREMISES

A. The City leases to Lessee, and Lessee leases from City, that certain real property consisting of _____ [acres/square feet] of land at the Airport that is located at [INSERT ADDRESS HERE], Heber City, Utah, which is more fully described on **Exhibit 1** attached and made part hereof (the “Premises”).

B. Lessee accepts the Premises “AS IS” in the condition existing upon the Effective Date. Lessee’s acceptance of the Premises shall be conclusive evidence that its condition is satisfactory to Lessee for Lessee’s intended purposes. The City makes no representation or warranty respecting the condition of the Premises as it exists now or in the future.

II. TERM

A. Term. The term of this Agreement shall commence on the Effective Date and shall continue **for five years expiring on the 5th fifteen (15) years, expiring on the fifteenth (15th) twenty (20) years, expiring on the twentieth (20th) anniversary of the Effective Date at 11:59 p.m. local time, unless sooner terminated as set forth herein (the “Term”).** *AAB “there is really no guarantee/ wording that ensures a chance to renew the lease. Need assurance that they will have the ability to renew the lease, albeit under new rates or different terms, but renewal needs to be an option as to continue the use of the asset or hand down to the family. Per D Scott: Whoever’s in the hangar is going to have an opportunity to extend the lease for as long as the hangar is standing and eventually build a new hangar if they want to do that.*

B. The city desires to offer Lessee an opportunity to enter into a new lease for the Leased premises at the end of the term. If Lessee desires to continue occupying the the Lease Premises after the expiration of the term, Lessee may request the City grant a new lease agreement and the City will enter into a new lease that is based upon such terms and conditions, including rental rates, of the then-current Airport standard lease form being offered by the City, provided: (i) Lessee is not in default in the payment of any Rent or in any other provisions of this Agreement, is in good standing at the Airport, and submits a current certificate from the City Building Inspector to the Airport Manager that the Improvements are structurally sound and is projected to be sound for the duration of the new lease; and (ii) the new lease is consistent with the Airport's Master Plan then in effect and all federal rules, regulations, directives, and guidelines or other obligations with respect to the Airport, including but not limited to the Grant Assurances.

III. HOLDING OVER

A. If Lessee should hold over and continue in possession of the Premises or any portion thereof after expiration or early termination of the Term or any renewal or extension thereof, Lessee's continued occupancy of the Premises shall be deemed a tenancy **at sufferance with respect to such retained portion at a rental** **Needs to read: will from month to month at rental rate** rate of one hundred fifty percent (150%) the Rent due under this Agreement for the month prior to the holdover, subject to all the terms and conditions of this Agreement. The City may terminate the holdover tenancy at any time by providing thirty (30) days' prior written notice to Lessee.

B. If Lessee shall holdover and fail to surrender the Premises upon termination of this Agreement without the City's consent then, in addition to any other liabilities to the City arising therefrom, Lessee shall and does hereby agree to indemnify, defend, and hold the City harmless from any loss or liability resulting from Lessee's failure to surrender the Premises, including but not limited to claims made by any succeeding tenant.

IV. RENT, ADJUSTMENTS, AND OTHER CHARGES

A. Rent. In consideration for the use of the Premises, facilities, rights, services, and privileges granted herein, beginning upon the commencement of the Term, Lessee shall pay to the City rental at the initial rate of \$X.XX per square foot per year on XXXXX square feet comprising the Premises, for the total sum of **[AMOUNT IN WORDS] DOLLARS (\$[AMOUNT])**, as may be adjusted as provided herein, payable in full on the Effective Date and within thirty (30) days of the City's annual invoice (typically in mid-January) for each year of the Term thereafter (the "Rent").

B. Annual Adjustment. Beginning in the second (2nd) year of the Term, the Rent shall be automatically adjusted effective January 1st of each year during the Term based on the percentage increase in the Consumer Price Index, Mountain Plains over the prior year, provided, however, that **the ground lease rate and** Rent shall not decrease.

C. Proration of Rental Payments. In the event that the commencement or termination of the Term fall on any other date than the first (1st) or last day of a calendar year, the applicable rentals, fees, and charges for such year shall be paid pro rata according to the number of days in the year during which said privileges were enjoyed.

Replaced section C with: Change In Ground Lease Rate. In addition to the annual adjustments, if City adopts a new standard Ground Lease Rate, the Ground Lease Rate in this Agreement shall be adjusted to match the Ground Lease Rate adopted by the City, subject to the following: (1) City shall not adjust the Ground Lease Rate pursuant to this Section IV.C. more than once every three years; (2) the new Ground Lease Rate shall not increase the current Ground Lease Rate, as adjusted pursuant to this Section IV.C, by more than twenty-five percent (25%); and (3) City shall provide Lessee not less than forty-five (45) days notice prior to the effective date of any change to the Ground Lease Rate and Rent pursuant to this Section IV.C.

D. Manner of Payment. Lessee shall deliver Rent and all payments due to the City under this Agreement in a form acceptable to the City to the Heber City Airport Manager c/o the Heber City Treasurer, 75 North Main Street, Heber City, Utah 84032, or as otherwise directed in writing by the City.

Replace section D with: Proration of Rental Payments. If the commencement or termination of the Term fall on any other date than the first (1st) or last day of a calendar year, the applicable rentals, fees, and charges for such year shall be paid pro rata according to the number of days in the year during which said privileges were enjoyed.

E. Other Fees and Charges. Lessee shall pay to the City within ten (10) days of notice by the City, any sum or sums paid by the City, or obligation or expense incurred by the City, for which Lessee has agreed to pay or reimburse the City, or which the City has paid or incurred because of the failure, neglect, or refusal of Lessee to perform or fulfill any of the promises, terms, conditions, or covenants required of it under this Agreement.

F. Late Payments. If Lessee fails to pay any amounts due under this Agreement, including Rent, within ten (10) days of the due date thereof, Lessee shall pay an interest charge of one and one-half percent (1.5%) of the amount owing for each calendar month or part thereof from the due date to the date payment is made. The payment of interest does not excuse or cure any otherwise uncured Lessee default under this Agreement. Payments received from Lessee will be applied by the City first to accrued interest, second to due Rent, and third to other amounts due hereunder.

V. USE OF PREMISES

A. Permitted Use. Subject to the terms and conditions of this Agreement, Lessee shall only use the Premises for the construction and/or maintenance of a private aircraft hangar

and related facilities to be used solely for Lessee's and authorized sublessee's personal, non-commercial purposes ("Permitted Use"), which Permitted Use is limited to:

1. The **non-commercial** storage of active and operational aircraft owned or leased by Lessee and authorized sublessees, provided that within ten (10) days of the Effective Date, Lessee shall provide written notice to the Airport Manager of the registration number of the aircraft and the person(s) responsible for it, including off-hours emergency phone numbers; Recommended to remove the words non-commercial from these sections
2. The **non-commercial** storage of aviation-related equipment;
3. Non-commercial, non-aviation storage as an incidental use, provided that the Premises is primarily used for aviation purposes and such non-aviation storage does not materially displace or limit the aeronautical contents of the hangar;
4. The **non-commercial**, self-servicing and preventive maintenance and servicing of Lessee's aircraft, Lessee's vehicles, and equipment, provided that motor vehicle or equipment maintenance shall **occur only indoors**; and Recommending to change the wording here as sometime things have to happen outside of the hangar (Example: Running Engine, Testing Lights) . Need wording that keeps users compliant with the lease. "Of outdoor needs to be transient"...
5. Short-term and temporary parking of motor vehicles owned or leased by Lessee or their invitees only in connection with the Permitted Use.

B. Prohibited Use. Lessee shall use, and cause its invitees to use, the Premises and the Airport only for the Permitted Use and those other uses authorized under this Agreement and shall not engage in any unauthorized or prohibited use of the same. Prohibited uses include, but are not limited to, the following:

1. Lessee shall not erect, place upon, operate, or maintain any improvement on the Premises, nor conduct business therein, in violation of the terms of this Agreement or any applicable law, statute, ordinance, regulation, rule, or order of any federal, state, or local governmental agency having jurisdiction over the Premises.
2. Lessee shall not erect any structure or allow the growth of any plant or natural object that would constitute an obstruction to air navigation as defined in 14 CFR Part 77; nor shall Lessee conduct any activity on the Premises that would interfere with or be a hazard to the flight of aircraft over the land or to and from the Airport or interfere with air navigation and communication facilities serving the Airport. The City shall have the continuing right to take any action it deems necessary to prevent the erection or growth of any structure, tree, or other object into the air space, or development of any hazard to air navigation or communication, and to remove or abate from such air space, or mark and light as obstructions, any such structure, tree, object, or hazard, and shall have the right of ingress and egress over the Premises for such purposes.

3. Lessee shall not use the Premises as living or overnight sleeping quarters.
4. Lessee shall not use the Premises for non-aeronautical purposes **without the prior written consent of the City**, provided that Lessee shall at all times comply, and cause invitees to materially comply with the FAA's *Policy on the Non-Aeronautical Use of Airport Hangars*, 81 Fed. Reg. 38906 (June 15, 2016), as it may be amended. A LOT of administrative actions to ensure compliance, Can these be reworded to remove some of all of the written consents from the city?
5. Lessee shall not place waste materials on the Airport or dispose of such materials in violation of any federal, state, or local laws, rules, regulations, or orders.
6. Lessee shall not conduct any commercial activity or business at, on, or from the Premises **without the prior written consent of the City**, provided that, as a condition of such consent, Lessee shall comply with the Airport's Minimum Standards (as defined herein) and any other conditions, limitations, or terms the City may reasonably require. Specify that subleasing of a hangar is not a commercial activity. IF we want to make subleasing a commercial activity we will need to revise the minimum standards.
7. Lessee shall not sell or store aviation fuel, parts, oils, or any other products or services from or on the Premises **without the prior written consent of the City**. Call out quantity restrictions or owners will be out of compliance for having a quart of oil in the hangar, for example quantities for personal use (case of oil). Maybe even just reference the Advisory circular if you wanted to reference the FAA advisory circle.
8. Lessee shall not store any motor vehicles on the Premises **without the prior written consent of the City**. Language needs reiterate primarily aeronautical, allow for transitory storage of motor vehicles, no permanent parking permitted
9. Lessee shall not wash any aircraft, motor vehicles, or equipment on the Premises **without the City's prior written consent**, which the City may grant, condition, or withhold in its sole discretion. Reword to stress that contaminants cannot make it into the water system as per the SWPPP, goal to keep contaminants out of storm drain. Use organic materials, dry wash
10. Lessee shall not store on the Premises equipment, materials, or containers, unless used in conjunction with the Permitted Uses, nor shall Lessee store any equipment or materials of any kind on the Premises which is unsightly or inconsistent with Lessee's maintenance obligations hereunder.
11. Lessee shall not store or let stand any equipment or property belonging to Lessee or under Lessee's custody (including but not limited to vehicles and aircraft) outside the boundaries of the Premises **without prior written consent of the City**, except when such equipment or property is in the process of being loaded or unloaded.

VI. PRIVILEGES GRANTED TO LESSEE

City grants to Lessee the following rights and privileges, subject to Lessee's compliance with, as applicable, the Airport's minimum standards promulgated and adopted by the City ("Minimum Standards"), the Airport's rules and regulations promulgated and adopted by the City ("Rules and Regulations"), and all orders, rules, and/or regulations of the Federal Aviation Administration ("FAA"), Transportation Security Administration ("TSA"), Department of Homeland Security ("DHS"), and Environmental Protection Agency ("EPA"), as each may be amended from time to time:

- A. The exclusive right to use the Premises in connection with the Permitted Use and for no other purpose, unless expressly authorized by the City in writing; provided that City reserves the right to grant users of the Airport the right to use the Pavement Area (as defined in Section VII.A.1 herein) on the Premises from time to time for passage of aircraft on and near the adjacent taxiway when required for ingress and egress to other areas of the Airport;
- B. The right to use, in common with others, the facilities and improvements owned or constructed by the City which are of a public nature and available for public use;
- C. The right of ingress and egress from the Premises for Lessee and Lessee's contractors and invitees to the extent reasonably necessary in connection with the Permitted Use;
- D. The right to install, operate, maintain, repair, and store all fixtures and equipment necessary for the Permitted Use, at Lessee's sole cost and expense; and
- E. Lessee shall not erect any signs on the Premises or the Improvements thereon without the prior written consent of the City, which may be withheld or conditioned in its sole and absolute discretion. Commercial signs are not permitted; personal signage is permitted but cannot be larger than XX or placed in common areas.

VII. CONSTRUCTION OF IMPROVEMENTS

A. Generally. Lessee, at its sole expense and subject to the City's approval as set forth below, may construct or install on the Premises, in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations, including FAA requirements, such buildings, structures, or improvements, or modifications, revisions, or alterations thereto, that are reasonably related to the Permitted Use, including a hangar facility and aircraft pavement area (collectively, the "Improvements"). Lessee may not cause or permit any Improvements on the Premises to conflict with the City's Master Plan or Airport Layout Plan existing at such time and as on file with the FAA.

- 1. As part of the Improvements, Lessee, at its sole cost and expense, shall construct and maintain an aircraft pavement area on the Premises (the "Pavement Area") to accommodate the movement of aircraft in an out of the hangar improvements constructed thereon, which must be designed and built to specifications, and for a minimum weight bearing capacity, established by the City,

built to the full width of the Premises, and to connect with adjacent taxiway, ramp, and/or auto parking areas so that a continuous and safe pavement section for aircraft use results. “Pavement” area needs better defined. Vs concrete, vs asphalt be specific

2. The City shall have no responsibility or obligation to make or maintain any Improvements to the Premises or to the public roadway and utility access to the Premises.

B. Plans and Specifications. Lessee shall, at its sole cost and expense, select qualified architects and engineers to prepare, as applicable, the architectural, site, structural, mechanical, and/or electrical drawings and specifications for the Improvements (the “Plans and Specifications”) as required by the appropriate governmental authorities and in accordance with Applicable Laws. Prior to the commencement of the construction or installation of any Improvements or any modifications thereto, Lessee shall obtain the City’s prior written approval of the relevant Plans and Specifications. The City may refuse to approve such Plans and Specifications at the City’s reasonable discretion and shall provide the reasoning for such disapproval to Lessee, provided, however, that the City’s approval shall not be unreasonably conditioned, withheld, or delayed. The City’s reasoning for disapproval may include, but shall not be limited to, the following: if the Improvements are inconsistent with the requirements of this Agreement, applicable law, rules or regulations, or the lawful direction of a government authority; if the external appearance of the planned Improvements is materially inconsistent with the uniform appearance of existing buildings or structures at the Airport or otherwise does not meet the City’s regulations or policies, if any, relating to substantial uniformity of appearance of all buildings and structures on the Airport or relating to Airport safety; or if the nature of the Improvements is inconsistent with the safe, secure, or orderly use of the Airport by others.

C. Unauthorized Construction. If any construction, improvement, alteration, modification, addition, repair, or replacement that requires City’s approval, under applicable laws and ordinances, local rules and regulations, or FAA requirements, is made without the City’s prior written approval, or that otherwise does not conform with applicable laws, rules, or regulations or the approved Plans or Specifications, the City may, in its sole and unfettered discretion, elect to require Lessee to restore the Premises to its prior condition and/or modify the Premises to the satisfaction of the City. Lessee’s failure to commence and diligently prosecute such removal or modification within thirty (30) days following receipt of notice by the City shall constitute an Event of Default (as defined herein).

D. Qualified Contractors; No Liens. Lessee shall cause all Improvements authorized to be constructed here under only by a contractor or contractor(s) properly licensed by the State of Utah. Lessee shall be solely responsible for payment to such contractor(s) for all elements of the construction and installation of Improvements. Lessee shall keep the Premises free and clear of all construction or mechanics liens resulting from any construction or work by or on behalf of Lessee. Lessee may contest the correctness or validity of any such lien, but shall indemnify, defend, and hold harmless the City, its elected representatives, offices, agents, and employees, and the Premises from all claims and

liability for payment of any such lien. The city may file a notice of no responsibility for its lien protection.

E. Certified Statement of Costs. Within sixty (60) days of the completion of the Improvements, Lessee shall provide the City with a certified statement of all costs actually incurred by Lessee in constructing the Improvements, together with any supplemental or supporting documentation requested by the City to verify such construction costs.

VIII. TITLE; REMOVAL OF IMPROVEMENTS; RETURN OF PREMISES

A. Title. The City shall at all times hold and retain title to and fee simple interest in the Premises. Lessee's leasehold interest in the Premises shall completely extinguish upon the expiration or early termination of this Agreement. All existing improvements and personal property on the Premises as of the Effective Date are and shall remain the property of the City. (Remove Sentence) All Improvements or personal property constructed, installed, or placed on the Premises by Lessee during the Term shall remain the property of Lessee, unless such Improvements are deemed abandoned pursuant to Section VIII.B herein. Comments that this is communism, wording change is necessary

B. Removal of Improvements. Prior to the expiration or early termination of this Agreement, Lessee, at its sole cost and expense, shall have the right to remove any Improvements placed or erected on the Premises by Lessee. Any Improvements and/or personal property remaining on the Premises after the expiration or early termination of the Agreement shall, at the option of the City, be deemed abandoned and title thereto shall automatically transfer to the City without any claim or right whatsoever by Lessee.

C. Return of Premises. On or before the expiration or early termination of the Agreement, Lessee shall, at Lessee's sole cost and expense: (i) remove all of Lessee's personal property from the Premises, unless otherwise mutually agreed to in writing by the Parties; and (ii) either (a) if Lessee exercises its right to remove its Improvements pursuant to Section VIII.B, return the Premises to the City in as good a condition as it was prior to the erection of the Improvements thereon, or (b) if Lessee does not exercise its right to remove its Improvements, Lessee shall return the Premises and the Improvements to the City in their original condition existing as of the Effective Date or the date upon which the Improvements were completed, respectively. If Lessee fails to return the Premises in accordance with the requirements herein, the City reserves the right to charge Lessee for the cost of the restoration of the Premises and the Improvements (if applicable) and/or removal of any remaining personal property plus reasonable administrative costs.

IX. ENVIRONMENTAL COMPLIANCE

A. Generally. Lessee agrees that in conducting any activities on the Premises or on Airport property pursuant to this Agreement, Lessee shall comply, and require its employees, agents, contractors, and invitees ("Lessee Parties") to comply, with any and all applicable federal, state, and local environmental laws, rules, and regulations and all orders and directives from any government agency having jurisdiction over Lessee, the Airport, and/or the Premises (collectively, "Environmental Laws").

B. Hazardous Materials. Clean the language up and make it consistent throughout Hazmat gets treated different than hazardous materials Lessee and Lessee Parties shall not use, store, generate, manufacture, produce, handle, treat, dispose, transport, or conduct operations involving Hazardous Materials (defined herein) whether intentionally or unintentionally, at or from the Premises in violation of any Environmental Laws. Without limiting the foregoing, Lessee and Lessee Parties shall not discharge Hazardous Materials into the sewer and/or storm water drainage systems, or cause any Hazardous Materials to be placed, held, stored, processed, treated, released, or disposed of on or about the Premises or Airport in violation of Environmental Laws. Better define as Operational Maintenance of aircraft or aeronautical related equipment. Lessee shall, at no cost or expense to the City, promptly remove and remedy, in accordance with the requirements of Environmental Laws, all Hazardous Materials present in, on, under, or migrating from the Premises in violation of Environmental Laws, as a result of the acts or omissions of Lessee or any Lessee Party or its or their use or occupancy of the Premises; provided, however, that Lessee has no obligation to remove any Hazardous Materials in, on, under, or migrating from the Premises as a result of (i) the acts or omissions of third parties other than Lessee Parties or Lessee's predecessors in interest, or (ii) the acts or omissions of the City, unless Lessee's acts or omissions exacerbated such Hazardous Materials. However, Lessee shall bear the burden of providing evidence to the City that any Hazardous Materials in, on, under, or migrating from the Premises were not exacerbated by the acts or omissions of Lessee and are a result of (x) the acts or omissions of third parties other than Lessee Parties or Lessee's predecessors in interest; or (y) the acts or omissions of the City. As used in this Agreement, "Hazardous Materials" means any elements, compounds, chemicals, substances, flammable materials, explosives, radioactive materials, oil, petroleum, petroleum products, asbestos, lead paint, perfluoro octane sulfonic acids or perfluorooctanoic acids, polychlorinated biphenyls, military or civilian munitions, explosives, materials, or wastes that, because of their quantity, concentration or physical or chemical characteristics pose a present or potential hazard to human health or safety or to the environment including, by way of illustration and not limitation, those which are or become regulated, identified, defined, listed, or otherwise classified as a contaminant, pollutant, toxic pollutant, or toxic or hazardous substance, or a regulated substance under Environmental Laws.

C. Recordkeeping. Lessee shall maintain, in an orderly and easily accessible manner, all correspondence and communications with any governmental authority, records, or other information evidencing its compliance with all Environmental Laws for all Hazardous Materials brought upon, kept, used, stored, generated, or disposed of in, on, or about the Premises, or transported to or from the Premises by Lessee or Lessee Parties. Lessee must maintain these records for the period of time as is required by Environmental Laws or ten (10) years following termination of this Agreement, whichever is longer.

D. Environmental Permits. Lessee, at its expense, shall obtain, maintain, and comply with any and all permits required by any Environmental Laws to conduct its permitted activities on the Premises.

E. Review of Environmental Documents. At the City's written request, Lessee shall make available for inspection and copying, upon reasonable notice and at reasonable times, any and all non-privileged correspondence and communications with relevant

governmental authorities and records or other information evidencing its compliance with all Environmental Laws for all Hazardous Materials brought upon, kept, used, stored, generated, managed, or disposed of in, on, or about the Premises, or transported to or from the Premises by Lessee or Lessee Parties.

F. Cooperation with Investigations. Lessee shall cooperate with any investigation, audit, or inquiry by the City or any governmental authority regarding possible violation of any Environmental Laws upon the Premises.

G. Access for Environmental Inspection. The City shall have access to the Premises upon reasonable prior notice to inspect the same in order to confirm that Lessee is in compliance with the requirements of this Section IX; provided, however, that the City may enter the Premises for such purposes without prior written notice in the event of an emergency pertaining to Environmental Laws, as determined by the City. Lessee agrees to fully cooperate with any such inspections, provided that such inspections shall not unreasonably interfere with Lessee's operations. If the City reasonably believes or has received information leading it to reasonably believe that Lessee's operations are not in compliance with the requirements of this Section IX, then, upon request by the City, Lessee shall conduct such inspection, testing, and analysis as the City reasonably deems necessary to ascertain whether Lessee is in compliance with this Section IX. Lessee shall pay all actual costs associated with any such environmental inspection, testing, and analysis. Any such tests shall be conducted by qualified independent environmental consultants chosen by Lessee, but such environmental consultants, and the scope and the methods of such investigation, shall be subject to the City's approval, which shall not be unreasonably withheld. Lessee shall provide copies of any and all relevant reports prepared by such experts to the City within a reasonable time after Lessee receives such reports.

H. Duty to Notify City. In the event of any release or threatened release of Hazardous Materials caused by or discovered by Lessee or any Lessee Party at, on, under, or about the Premises or the Airport, or in the event any claim, demand, complaint, or action arising under Environmental Laws is made or taken against Lessee with respect to activities on the Premises or the Airport, or if Lessee receives any notice pertaining to Lessee's failure or alleged failure to comply with any Environmental Laws at the Premises, Lessee shall notify City of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice and shall provide the City with copies of any and all claims, demands, complaints, notices, or actions so made no later than twenty-four (24) hours following receipt of the same. If Lessee is required by any Environmental Laws or applicable governmental authority to file any notice or report of a release or threatened release at, on, under, or about the Premises or the Airport, Lessee shall simultaneously provide a copy of such notice or report to the City.

I. Environmental Remediation. Lessee, at its sole cost and expense, shall undertake all necessary steps to remedy and remediate a release of Hazardous Materials or other condition to the extent caused by or resulting from the activities, conduct, or omissions of Lessee or its Lessee Parties, on the Premises or at the Airport, as necessary to reasonably protect the public health and safety to the extent required by Environmental Laws and/or to bring the Premises or the Airport into compliance with all Environmental Laws

applicable to the Premises or Lessee's activities thereon. Specific cleanup levels for any environmental remediation work Lessee performs shall be designed to meet and satisfy the requirements of all Environmental Laws applicable to the Premises or Lessee's authorized use thereof. Except in the event of an emergency, such work shall be performed only after Lessee submits to the City a written plan for completing such work and receives the prior approval of the City, which shall not be unreasonably withheld. The City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The actual cost of such review and inspection shall be paid by Lessee. Lessee expressly warrants that all work performed pursuant to this Agreement shall be performed in accordance with all Environmental Laws. Lessee shall not enter into any settlement agreement, consent decree, or other compromise with respect to any claims relating to any release of Hazardous Materials or other condition in violation of Environmental Laws on, at, or from the Premises or the Airport without first notifying the City of Lessee's intention to do so and affording the City a reasonable opportunity to appear, intervene, or otherwise appropriately assert and protect the City's interest with respect thereto, which appearance or intervention by the City will be at City's sole cost and expense.

J. Obligations Upon Termination. At the expiration or termination of this Agreement, Lessee shall dispose of all Hazardous Materials and containers in compliance with all applicable Environmental Laws and shall complete all actions necessary to bring the Premises into full compliance with this Section IX and all Environmental Laws. Lessee shall provide the City with copies of all waste manifests for Hazardous Materials removed from the Premises at least thirty (30) days prior to the termination or expiration date of this Agreement.

K. Step-In Rights. Notwithstanding Lessee's obligations under this Section IX, the City and any other relevant governmental authorities shall at all times have the right, should Lessee fail to comply with its obligations in subsections I or J of this Section IX, after reasonable advance written notice, which shall include a reasonable opportunity to cure (except where a governmental authority other than the City is empowered by applicable law to act without notice), or immediately, if necessary to prevent additional harm to the environment, to take any and all actions as they individually or collectively may reasonably deem necessary to cease, contain, investigate, remediate, or otherwise respond to a condition which results from, causes, or threatens to cause a release of Hazardous Materials or other condition in violation of Environmental Laws at, under, or about the Premises or at the Airport. Lessee agrees to cooperate with any and all such actions.

L. No City Liability. The City shall not be responsible to Lessee or any Lessee Party for any Hazardous Materials in existence in, on, under, or migrating from the Premises or at the Airport, which condition may interfere with Lessee's operations or activities, or which might otherwise cause damages to Lessee through loss of business, destruction of property, or injury to Lessee, its Lessee Parties, customers, or clients, except to the extent such conditions are caused by the actions or omissions of the City.

M. Remedies Cumulative. Lessee agrees that all remedies of the City as provided in this Section IX with regard to Hazardous Materials, or violations of any Environmental

Laws shall be deemed cumulative in nature and the City's right to indemnification as provided under this Section IX shall survive the termination of this Agreement.

N. Survival. The rights and obligations of this Section IX shall survive the expiration or termination of this Agreement and shall bind Lessee's successors and assigns and inure to the benefit of the City's successors and assigns, except those rights and/or obligations which by their nature or context are not intended survive the expiration or termination of this Agreement.

I. TAXES

Lessee covenants and agrees that it will pay, when due, all taxes which may be assessed pursuant to law against the Premises, the Improvements, or any other buildings, improvements, and personal property located on the Premises, or against activities conducted by Lessee. Lessee shall provide the Airport Manager with satisfactory evidence of such payments within fifteen (15) days from the Airport Manager's written request.

I. INDEMNITY

O. Indemnification. Lessee shall, at its sole cost and expense, defend, indemnify, save, protect, and hold harmless the City, the Airport, the Heber City Council, and the Airport Advisory Board (the "AAB"), individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers (the "Indemnified Parties") from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the Indemnified Parties, individually and collectively, arising out of or in connection with the activities of Lessee or Lessee's officers, employees, agents, contractors, or invitees at the Airport; provided, however, that Lessee shall have no obligation to indemnify under this Section XI.A to the extent such claim arises from the gross negligence or willful misconduct of the Indemnified Parties.

P. Environmental Indemnification. Additionally, Lessee shall defend, indemnify, save, protect, and hold harmless the Indemnified Parties in the event of an environmental contaminating accident or incident, release of any Hazardous Materials, or any violation of Section IX, to the extent such accident, incident, release, or violation is caused by Lessee, Lessee Parties, or any other personnel used by Lessee to maintain Lessee's facilities, vehicles, equipment, or aircraft.

X. INSURANCE

A. Insurance. Prior to the commencement of the Term and at all times throughout the Term of this Agreement, Lessee shall obtain and maintain from a reliable insurance company or companies rated AM Best A or better authorized to do business in the State of Utah insurance in the types and amounts required by the City pursuant this Section XII and, if applicable, the Minimum Standards, or as the City may otherwise reasonably request during the Term on not less than thirty (30) days written notice to Lessee.

B. Insurance Types and Coverages. Types and limits of insurance required as of the Effective Date are as follows:

1. *General and Aircraft Liability Insurance.* Lessee shall obtain and maintain comprehensive general and aircraft liability insurance for personal and bodily injury (including passengers), death, property damage, and passenger liability with a combined single limit for each occurrence in at least the following amounts: (a) \$1,000,000 for each aircraft; (b) \$100,000 for each passenger; (c) \$1,000,000 for premises liability.

2. *Hangar Keeper's Liability Insurance.* If Lessee intends to store any aircraft not owned or leased by Lessee but otherwise approved under this Agreement on the Premises, Lessee shall obtain and maintain hangar keeper's liability insurance for at least the full value of the non-owned aircraft in Lessee's care, custody, or control. For those that lease the hangar but do not occupy it will need to have subtenant hangar insurance coverage. If Lessee does not occupy the hangar and intends to store aircraft, not own hangar, they need to have hangar keepers insurance

3. *Automobile Liability Insurance.* Lessee shall obtain and maintain comprehensive automobile liability insurance at a combined single limit coverage of at least \$1,000,000 (bodily injury and property damage). Most others require 300-500K vs 1M Coverage, Typically a non-commercial policy

4. *Builder's Risk Insurance.* During any period of construction, reconstruction, or renovation of the Improvements, Lessee shall provide, or cause to be provided, builder's risk insurance as to all items of construction with coverage at least equal to the total amount of the construction contract(s) for all such construction activities.

5. *Property.* Lessee shall obtain and maintain "All Risk" property insurance in an amount at least equal to the full replacement value of all Improvements, facilities, and personal property located on the Premises. The City will not carry insurance or be liable for damage or loss to Lessee's Improvements, facilities, or personal property.

C. Proof of Insurance. Lessee shall submit certificates of insurance to the City prior to the commencement of the Term and annually thereafter, and at any time upon the request of the City. The insurance policy or policies required hereunder shall contain an endorsement which provides that Lessee is named insured as it pertains to this Agreement. Prior to the commencement of the Term and each time the policy renews, concurrently with the annual payment of Rent, or upon the City's request, Lessee shall provide the Airport Manager a copy of the policy endorsement naming Heber City Corporation as an additional insured under the policy.

D. Policy Requirements. All insurance coverages required under this Agreement shall (i) include the City and its officers, agents, and employees as additional named insured, (ii) provide thirty (30) days' prior written notice of cancellation, modification, or intent not to

renew the policy, with such notice being effective upon the City's receipt of said notice, (iii) stipulate that the policy provided coverage is not subordinate to nor contributing with any other insurance coverage held or maintained by the City; (iv) include a waiver of subrogation, except for ~~automobile~~ automobile and aircraft liability insurance, and (v) list any and all exclusions. Notice by the insurer shall be effective upon the receipt of said notice by the City. Lessee shall notify the City of any modification which affects the leasehold premises, termination or cancellation of any policy of insurance secured by Lessee pursuant to this paragraph as soon as Lessee learns of any such modification, termination, or cancellation.

E. Application to Others. Lessee shall require all contractors, subcontractors, agents, or workers performing work or occupying the Premises to be properly licensed and to obtain ~~an insurance~~ insurance coverage meeting the requirements of this Section XII, as evidenced by a certificate of insurance. Lessee shall require that all such parties submit certificates of such insurance to the City prior to performing work or occupying the Premises. The insurance provisions herein shall likewise apply to any permitted assignee, sublessee, or transferee of Lessee.

F. No Limitation of Liability or Waiver. The procuring of such policy or policies of insurance shall not be construed to be a limitation upon Lessee's liability or satisfaction or a waiver of Lessee's indemnification obligations under this Agreement.

XI. MAINTENANCE & REPAIR

A. City Maintenance Obligations. The City shall be responsible for the maintenance of the shared public spaces and common use areas of the Airport. The City shall provide for the removal of snow and ice from the airfield and the Pavement Area, excluding any parking and side lots and any area within six (6) feet of any hangar on the Premises; provided, however, that priority of snow removal shall be in accordance with the City's snow removal plan, attached as **Exhibit 2** ("Snow Removal Plan"), as it now exists or as it may be amended in the City's sole discretion.

B. Lessee Maintenance Obligations. Lessee, at its sole cost and expense, shall be responsible for all other maintenance and repairs to the Premises, the Improvements, and the utilities thereon, including but not limited to the obligations set forth in this Section XIII.B.

1. Lessee shall keep and maintain the Premises, the Improvements, and any other improvements and personal property thereon in good and repair and in sanitary and sightly condition, reasonable wear and use excepted. Lessee agrees to provide at its own expense such janitorial and cleaning services and supplies, trash removal services, and any related services as may be necessary or required in the operation and maintenance of the Premises.

2. Lessee shall maintain the Premises, including all pavement areas clarify pavement on the Premises, in a manner which is safe and clean of debris so as not to cause danger or unsafe conditions for taxiing aircraft or other Airport users. Seal

coat, crack seal, and paint are required to maintain all pavements in good condition. Lessee shall repair any cracked or damaged pavements as needed or upon the request of the City.

3. Except as provided above in Section XIII.A, Lessee shall provide for the removal of snow and ice from its Premises, **including but not limited to stairs, walkways, ledges, roads, paved areas, parking areas, and the perimeter of any hangar buildings.** Lessee shall not place snow from its Premises on any other area of the Airport without prior written authorization from the Airport Manager. Maybe soften the language here to allow for emergencies etc. Rather than written consent we need to point to the rules and regulations vs list out all of the places to remove snow

4. Lessee shall be responsible for all landscaping and weed removal on the Premises. Language change. As not to impede access, current lease has better language for this Recommendations to add wording..”This shall include, although not limited to, the obligation of the lessee to maintain the premises in a clean, neat and orderly condition at all times and to perform the necessary mowing, weed control on the premises during the appropriate part of the year

5. Lessee shall exercise due and reasonable caution to prevent fire, accidents, hazards, and nuisances on the Premises.

C. Failure to Maintain. In the event that Lessee fails to keep and maintain the Premises or Improvements in good condition and repair, reasonable wear and use excepted, for a period of thirty (30) days after written notice from the City to do so, the City, upon the expiration of such thirty (30) day period, may, but shall not be obligated to, enter upon the Premises and perform the obligation of Lessee, and charge Lessee the cost and expense thereof, including any reasonable administrative costs. Lessee shall pay the City such charge in addition to any other amounts payable by Lessee. Notwithstanding the foregoing, if Lessee’s failure to perform any such obligation adversely affects or endangers the health or safety of the public, other Airport users or tenants, or of employees of the City in the reasonable judgment of the City, and if the City so states in its notice to Lessee, the City may, but shall not be obligated to, perform such obligation of Lessee at any time after providing such notice, at Lessee’s sole cost and expense. The City shall not be liable to Lessee for any loss whatsoever resulting from the City’s performance hereunder.

I. UTILITIES & SERVICES

D. Lessee’s Obligations. Lessee agrees to provide for its own connections with utilities and to make separate agreements with the agencies responsible for these utilities. Lessee shall pay for all utility service supplied to the said Premises, and if required by the utility agencies as a condition of continued said services, Lessee shall install and pay for standard metering devices for the measurement of such services. Lessee shall be solely responsible for all utility charges, including without limitation natural gas, electricity, sewer, and water used on the Premises during the Term.

E. City's Reservation of Rights. Lessee agrees that the City shall have the right, without cost or compensation to Lessee, to install and maintain in, on, under, or across the Premises utilities (including sewer, water, gas, electric and telephone lines, electric substations) or other installations necessary to the operation of the Airport, or to service other tenants of the City; provided the City shall carry out such work and locate above-ground structures in a manner so as not to unreasonably interfere with Lessee's use of the Premises. The rights of Lessee under this Agreement shall not be construed to confer any right upon Lessee concerning the use or operation of any such utilities, installations, or any other facilities at the Airport, except the Premises and other rights specifically described herein.

XII. COMPLIANCE WITH LAWS

Lessee shall comply, and cause Lessee Parties (as defined in Section IX) to comply, with any and all current and future laws, ordinances, rules, regulations, and orders issued or promulgated by any governmental authority governing or otherwise applicable to Lessee, the Airport, this Agreement, the Premises, or Lessee's use of the Premises, including but not limited to the Rules and Regulations, as amended from time to time, and all permits and licenses which may be necessary or required for the Permitted Use, including but not limited to the construction of the Improvements. Upon the City's written request, Lessee shall verify, within a reasonable time, compliance with any such applicable laws and regulations.

XIII. PERMITS, LICENSES, AND CERTIFICATES

During the Term, Lessee shall obtain and maintain any and all permits, licenses, and certificates which may be required in connection with the improvement and use of the Premises and its operations thereon, including but not limited to the construction of the Improvements.

XIV. QUIET ENJOYMENT

The City agrees that, on payment of the rentals, fees, and charges as herein provided and performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the Premises and all the rights and privileges of the Airport, its appurtenances, and facilities granted herein. Lessee agrees that temporary inconveniences, including but not limited to noise, disturbances, traffic detours, and the like resulting from, caused by, arising out of, or associated with the City's operation, construction, maintenance, or repair of the Airport, including but not limited to improvements thereon, or associated with special events that the City or others may from time to time host on the Airport, shall not constitute a breach of this Section. The City shall provide Lessee with reasonable prior notice of any planned temporary inconveniences or special events and shall take reasonable steps to mitigate the impact of such inconveniences so that they do not unreasonably interfere with Lessee's use of the Premises.

XV. DISPUTE RESOLUTION

Any dispute arising out of, relating to, or in connection with this Agreement, including any question regarding an alleged Event of Default (as defined below) or the Agreement's existence, validity, or termination, shall be resolved as set forth in the dispute resolution procedures attached

in **Exhibit 3** (“Dispute Resolution Protocol”). In the event of litigation commenced in accordance with the Dispute Resolution Protocol, the prevailing Party (as determined by a final judgment) shall be entitled to recover its reasonable attorney’s fees, expert-witness costs, and court costs from the other Party.

XVI. SUBLEASES, ASSIGNMENTS, AND TRANSFERS Sublease needs defined, IF less than 60% of that volume of the hangar we need a sublease agreement for a term greater than 30 days

A. City Consent Required. Lessee shall not assign or sublet this Agreement or the Premises, nor may it transfer the management and operation of the Premises, **without the prior written consent of the City**, such consent not to be unreasonably withheld, conditioned, or delayed. The City may withhold consent to an assignment, sublease, or transfer under any of the following circumstances, without limitation: (i) Lessee is in default of its obligations under this Agreement; (ii) the proposed assignee lacks the financial capability to comply with the terms and conditions of this Agreement or the ability to operate the facilities according to the terms and conditions of this Agreement and, if applicable, the Minimum Standards; (iii) the proposed assignee would not assume all of Lessee’s obligations under this Agreement, without condition or qualification; or (iv) the proposed assignment would violate any obligation of the City, including without limitation the Grant Assurances. Any purported assignment or sublease in violation of this Section XIX shall be null and void.

B. First Right of Refusal for Sale of Hangar. Notwithstanding the foregoing, if Lessee desires to sell or otherwise transfer its interest in this Agreement, including its leasehold interest in the Premises and ownership interest in the Improvements thereon, and has obtained a bona fide offer for such sale, Lessee must first offer to sell or otherwise transfer such interest to the City, at the price and on the same terms as such bona fide offer, and the City shall have the right to purchase Lessee’s interest under such terms. Such offer must be in writing and provide a copy of the sales agreement showing all terms and conditions of the proposed sale. The City shall have the right for a period of twenty-one (21) days after receipt of the offer from Lessee to elect to purchase Lessee’s interest (the “Election Period”). If the City does not desire to purchase Lessee’s interest, Lessee may then sell or otherwise transfer its interest in this Agreement to the person making the said offer, at the price and terms set forth in the offer, subject to the requirements of this Section XIX, including but not limited to the City’s prior written consent under subsection A above. If Lessee fails to close such a sale within one hundred twenty (120) days after the expiration of the Election Period, any proposed sale or other transfer thereafter shall again be subject to this Section. **This right of the City shall be continuing and shall survive any sale or other transfer of Lessee’s interest under this Agreement. The intent of this Section is to require all of Lessee’s interests in this Agreement be sold or otherwise transferred intact, without fractionalization.** IF Transfer of hangar between LLC or Family Trust, does this require a transfer fee and approval from the city? (Jason had wording on this)

C. Sale to Third-Party Buyer. In the event Lessee’s interest in the Agreement (including the Improvements) are sold to a third-party buyer prior to the end of the Term:

1. This Agreement shall automatically terminate upon the closing of such sale and the City will enter into a new lease between the City and the buyer that is based upon such terms and conditions, including rental rates, of the then-current Airport standard lease form being offered by the City, provided: (i) Lessee is not in default in the payment of any Rent or in any other provisions of this Agreement, is in good standing at the Airport, and submits a current certificate from the City Building Inspector to the Airport Manager that the Improvements are structurally sound and is projected to be sound for the duration of the new lease; and (ii) the new lease is consistent with the Airport's Master Plan then in effect and all federal rules, regulations, directives, and guidelines or other obligations with respect to the Airport, including but not limited to the Grant Assurances; and THIS SECTION should be moved to the TERMS part of the lease

2. Lessee shall pay a transaction ~~fee shall fee~~ to the City based upon the sales price or the current assessor's valuation, whichever is higher, at the time of the sale prior to a new lease being issued according to the then-approved Heber City Consolidate Fee Schedule.

D. Sale to City. In the event the Improvements are sold to the City prior to the end of the Term, the City may deduct from the purchase price any unpaid Rents or amounts due under this Agreement and, upon the closing of such sale, this Agreement shall automatically terminate.

E. Surviving Obligations. Notwithstanding the foregoing, the sale of Lessee's interests in this Agreement pursuant to this Section shall not relieve Lessee of its obligations that expressly or by their nature survive termination of this Agreement, including but not limited to Lessee's environmental obligations and obligation to pay the City Rents and other amounts due under this Agreement that accrued prior to the closing of the sale.

F. Administrative Costs. The City has the option, in its sole discretion, to charge to Lessee for reasonable administrative costs actually incurred when reviewing and processing any requests for assignment, sublease, or transfer pursuant to this Section XIX. WHY Admin Cost? Should be part of the transfer fee

XVII. LEASEHOLD MORTGAGES

A. Generally. Upon prior written notice to the City, Lessee shall have the right to mortgage or collaterally assign its interest in this Agreement to a bank or other similar intuitional lender (the "Mortgagee"), provided that any such leasehold mortgage or collateral assignment shall be in compliance with this Section XX and shall be subject, subordinate, and inferior at all times to the rights of the City under this Agreement (a "Leasehold Mortgage") and further provided that Lessee's notice to the City of the same shall include the name and address of the Mortgagee and a true copy of the Leasehold Mortgage. The term "Leasehold Mortgage" as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or

otherwise transferred to secure a debt or other obligation, in connection with the construction of the Improvements.

B. Requirements. In connection with a Leasehold Mortgage, at a minimum the following shall apply: (i) such encumbrance shall only encumber Lessee's leasehold interest for the purpose of securing financing for Lessee's authorized Improvements and no other encumbrance shall be permitted; (ii) such encumbrance shall be subordinate to the City's interests; (iii) the Mortgagee or other lienholder must agree to maintain current contact information with the City and provide the City with concurrent copies of any notices or communications regarding a default; (iv) the Mortgagee or other lienholder must certify to the City that it has reviewed this Agreement and has accepted provisions that may affect the Mortgagee or other lienholder, and that no loan requirements conflict with or erode any provisions of this Agreement; (v) any Lessee default relating to such encumbrance shall be a default of this Agreement; (vi) the Mortgagee or other lienholder must agree that upon any default, the City shall have a lien with first priority on all Lessee-owned property at the Premises, including the Improvements; (vii) the Mortgagee or other lienholder must agree that the City has complete and sole discretion as to whether to approve the substitution of a tenant by the Mortgagee or other lienholder and whether the City terminates this Agreement (which would result in a termination of the Mortgagee's or other lienholder's interests in this Agreement); and (viii) such encumbrance shall terminate prior to the expiration or termination of this Agreement and the Mortgagee or other lienholder must agree to promptly remove such encumbrance when the obligation that it secures has been satisfied.

C. Notice of Default or Termination. The City, upon providing Lessee any notice of default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section XX.A above.

D. Opportunity to Cure. The Mortgagee shall have the right to remedy any default under this Agreement or cause the same to be remedied and the City shall accept such performance by or at the insistence of such Mortgagee as if the same had been made by Lessee. From the date Mortgagee receives notice of an occurrence of default as provided this Section, there shall be added to any grace period allowed by the terms of this Agreement, an additional ten (10) days in the case of default in payment of Rent and an additional thirty (30) days in the case of all other defaults, for such Mortgagee to cure the same beyond the time allowed to Lessee. In case of a default, other than failure to pay Rent, the City shall not be empowered to terminate this Agreement by reason of the occurrence of such default if Mortgagee, within thirty (30) days after the giving of notice of such default, commences foreclosure or similar proceedings under the Leasehold Mortgage for the purpose of acquiring Lessee's interest in this Agreement and thereafter diligently prosecutes the same, and shall bring current all payments of Rent and all other sums payable by Lessee hereunder. The Mortgagee may become the legal holder of the leasehold estate under this Agreement by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Agreement in lieu of foreclosure. While such Leasehold Mortgage is in effect, the City shall not accept any surrender or cancellation of this Agreement by Lessee or amend or modify any material provision of this Agreement

without the Mortgagee's prior written consent, which such consent shall not be unreasonably withheld or delayed.

E. Assignment. The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants, or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants, and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Improvements on the Premises shall have been or become materially damaged on, before, or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace, or reconstruct the damaged Improvements.

XVIII. DEFAULT AND REMEDIES

A. Default. The occurrence of any of the following, in addition to those specified elsewhere in this Agreement, shall constitute a material breach of this Agreement by Lessee (each, an "Event of Default"):

1. Lessee's failure to pay Rent or any other amounts due hereunder within ten (10) business days of the due date thereof.
2. Lessee's failure to perform or observe any of Lessee's obligations under this Agreement (including those obligations set forth in this Section XXI) that are left uncured for a period of thirty (30) business days after Lessee receives written notice from the City setting forth the failure in question and an opportunity to cure (or, if cure of such failure cannot reasonably be accomplished in the thirty (30) day period, Lessee's failure to commence cure in such period and diligently prosecute the same to completion); provided, however, that the City may in its discretion shorten the applicable cure period in the event of a lapse in required insurance or any condition which creates an imminent safety risk to users of the Airport.
3. Lessee's material default on the covenants and obligations set forth in any other written agreement between the City and Lessee concerning the use or lease of Airport property, as determined by a court of competent jurisdiction's final, non-appealable judgment, after first being provided all applicable notice and cure periods and participating in the agreed upon dispute resolution procedures, if any, thereunder.
4. Lessee's abandonment of the Premises.

5. Lessee's becoming insolvent, taking advantage of any insolvency law or bankruptcy protection, making of a general assignment for the benefit of creditors, or consent to liquidation of all or substantially all of its assets.
6. The assessment of a tax lien or mechanic's lien upon the Premises for unpaid taxes or work that is not resolved within sixty (60) days of Lessee receiving notice of such lien.
7. The filing by Lessee of a voluntary petition in bankruptcy.
8. The institution of proceedings in bankruptcy against Lessee and the adjudication of Lessee as bankrupt pursuant to such proceedings if such adjudication is not vacated or stayed during the sixty (60)-day period following such adjudication.
9. The taking by a court of Lessee and its assets pursuant to proceedings brought under the provisions of any state or federal reorganization act if the judgment of the court is not vacated or stayed during the sixty (60)-day period following such judgment.
10. The appointment of a receiver of Lessee's assets if such appointment by a court is not vacated or stayed during the sixty (60)-day period following such appointment.
11. Lessee's assignment, sublease, transfer, or other conveyance of an interest in this Agreement in violation of Section XIX.
12. Lessee's breach or default of any Leasehold Mortgage (as defined in Section XX herein).

B. Remedies. If an Event of Default occurs, the City, in addition to any remedies available under applicable law, subject to the dispute resolution procedures specified in Section XVIII, may do any one or more of the following:

1. The City may elect to terminate this Agreement upon sixty (60) days' written notice to Lessee. IF happens in the winter, this is BAD. Can we add a condition for the temp. of 50 degrees?

2. Whether or not this Agreement has been terminated, the City may re-enter and repossess the Premises and may either in its own name, as agent for Lessee if this Agreement has not been terminated, or for its own behalf if this Agreement has been terminated, relet all or any part of the Premises; provided that City shall not be required to accept any tenant proposed by Lessee, or observe any instruction given by Lessee about such reletting. No such re-entry or taking possession of the Premises shall be construed as an election on the City's part to terminate this Agreement unless written notice of such election by the City is given to Lessee. Notwithstanding any such reletting without termination, the City may at any time thereafter elect to terminate this Agreement for any previous breach or default.

3. City may from time to time, without terminating this Agreement, enforce all of its rights and remedies under this Agreement.

C. Mitigation of Damages

Following any Event of Default by Lessee, the City shall use commercially reasonable efforts to mitigate its damages. The City's obligation to mitigate damages after an Event of Default by Lessee under this Agreement that results in the City regaining possession of all or part of the Premises shall be satisfied in full if the City undertakes to re-let the Premises to another grantee (a "Substitute Grantee") in accordance with the following criteria:

1. The City shall have no obligation to solicit or entertain negotiations with any prospective Substitute Grantee until the City obtains full and complete possession of the Premises including, without limitation, the final and unappealable legal right to re-let the Premises free of any claim of Lessee;
2. The City shall not be obligated to lease the Premises to a Substitute Grantee for a rental less than fair market rent then prevailing for similar space on the Airport;
3. The City shall not be obligated to enter into a new lease under terms and conditions that are unacceptable to the City under the City's then-current leasing policies for comparable space on the Airport, or incompatible with the Master Plan, Minimum Standards, Rules and Regulations, or Grant Assurances; and
4. The City shall not be obligated to enter into a lease with any proposed Substitute Grantee that does not have sufficient financial resources to maintain the Premises and operations in a first-class manner and pay all rents payable pursuant to this Agreement.

XIX. RIGHTS OF CANCELLATION AND RELOCATION

A. City's Right of Cancellation or Relocation. In addition to the City's rights under Section XXI, in the event the City determines that it requires use of the Premises for a public purpose or if proper, planned, and orderly development of the Airport shall require that the City devote any part of the Premises to a different use than that contemplated by this Agreement, or in the case of an emergency, the City may take either of the following actions:

1. The City may terminate this agreement upon no less than one hundred twenty (120) days' prior written notice to Lessee, except in the case of an emergency, which shall only require sixty (60) days' prior written notice, and, upon such termination, shall pay Lessee an amount equal to the unamortized value of the Improvements, calculated on a straight-line basis from the date such Improvements were substantially completed through the then-remaining Term of this Agreement. Needs to be "The Fair Market Value"

2. The City may elect to relocate Lessee's leased premises to another area on the Airport upon no less than one hundred and twenty (120) days' prior written notice to Lessee, except in the case of an emergency, which shall only require sixty (60) days' prior written notice; provided the City (a) provide Lessee with a replacement premises of no less area and that is substantially similar to the vacated premises, (b) pay the associated costs of relocating the Improvements thereto, (c) recalculate the Rent (if necessary) pursuant to Section IV to reflect the square footage and fair market value of the replacement premises, and (d) amend this Agreement to reflect such relocation. Except as expressly provided herein, all terms and conditions of this Agreement shall apply to the relocated premises and shall continue in full force and effect for the remainder of the Term.

B. Lessee's Right of Cancellation. Lessee may terminate this Agreement without cause with ninety (90) days' prior written notice to the Airport Manager. In the event of such cancellation, Lessee may remove its Improvements and shall restore and return the Premises in accordance with the requirements of this Agreement. If Lessee fails to remove its Improvements and restore the Premises, then the City may do so at Lessee's sole cost and expense.

XX. RIGHT OF ENTRY AND INSPECTION

The City may enter upon the Premises at any reasonable time for any purpose necessary, incidental to, or connected with the performance of its obligations under this Agreement, in the exercise of its governmental functions, or in the event of any emergency. Except in the case of the City's governmental functions or an emergency, the City shall give Lessee reasonable advance notice prior to City's entry into Lessee's buildings and improvements. Define "Reasonable" advance of notice

XXI. FORCE MAJURE; DESTRUCTION OF PREMISES

A. Neither Party shall be in violation of this Agreement by reason of failure to perform any of its obligations by reason of strikes, boycotts, labor disputes, embargoes, unforeseen shortages of materials, acts of God, acts of public enemy, substantial non-temporary flight restrictions, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible and which are not within its control (each, a "Force Majeure Event"). Upon the cessation or removal of the act or condition giving rise to the excuse of any obligation under this Agreement, the Party so excused from its obligation shall perform as required under this Agreement. Notwithstanding the foregoing, Lessee shall not be relieved of paying any Rent, fees, or other charges due to or during a Force Majeure Event. The Party claiming force majeure shall notify the other Party in writing within five (5) business days following any event or occurrence causing the delay and extent of the delay which may be incurred. Failure to timely so notify shall bar such Party from asserting any claim for that delay.

B. If the Improvements become damaged or destroyed in whole or in part, by a Force Majeure Event or any other casualty at any time during the Term so that the same cannot be repaired within ninety (90) days, Lessee will notify the City in writing within ninety

(90) days of the casualty indication whether Lessee will either (i) restore and reconstruct the improvements within one (1) year from the date of the casualty to substantially the same condition the Improvements were in immediately prior to the happening of such casualty, or (ii) terminate the Agreement after restoring the Premises to substantially the same condition it was in prior to constructing the Improvements, to be completed within ninety (90) days of such notice.

C. In no event shall the City be liable to Lessee for any damage resulting to Lessee from the occurrence of a Force Majeure Event or other casualty, from the repair or construction of the Premises, or from the termination of this Agreement under Section XXIV.B.

XXII. EMINENT DOMAIN

A. Allocation of Proceeds. In the event of a condemnation or a taking by the use of eminent domain of all or any part of the Premises, all proceeds of such condemnation or taking shall be apportioned to the City and Lessee as follows:

1. The amount awarded for the taking of the Premises shall belong to the City; and

2. Lessee shall have the right to recover such compensation as may be awarded on account of the value of the Improvements owned and/or made by Lessee, for moving and relocating expenses, for the value of its leasehold interest in the Premises, including but not limited to the loss, if any, sustained by Lessee as a result of the termination of this Agreement for loss of fixtures, moving expenses, and attorneys' fees and costs, and for any other damages sustained by Lessee as a result of such condemnation, provided that Lessee may not pursue the City for any such costs unless the City is the entity condemning or taking the Improvements.

B. Termination of Agreement. If the condemnation or taking by eminent domain is such that Lessee cannot reasonably or safely use the Premises, then at Lessee's option, the Agreement may be terminated upon sixty (60) days' prior written notice to the City.

C. Continuation of Agreement. In the event of a partial condemnation of the Premises where Lessee still has reasonable use of the Premises, this Agreement shall not be terminated, provided there is an equitable reduction in the amount of Rent payable under this Agreement based on the reduction in square footage. If required by the Mortgagee (if any), all proceeds for a condemnation shall be held by such Mortgagee and distributed by such Mortgagee for the payment of repairs or restoration to the Premises in accordance with the procedures set forth in the Leasehold Mortgage (or such other documents executed in connection therewith).

XXIII. NOTICES

All fees payable and notice given under this Agreement to the City shall be delivered to the Heber City Airport Manager, c/o the Heber City Treasurer, 75 North Main Street, Heber City, Utah 84032, or such other place as City shall specify in writing.

All notices given under this Agreement to Lessee shall be sent to:

Name: _____

Address: _____

City/State/Zip: _____

Email: _____

All notices provided to be given under this Agreement shall be given by certified or registered mail, return receipt requested, postage fully prepaid or by nationally recognized overnight courier addressed to the proper Party at their respective addresses above. Any notice so given shall be deemed properly delivered, given, served, or received on the date shown for delivery or rejection on the return receipt. Either Party may change the address to which notices shall thereafter be given upon five (5) days' prior written notice to the other Party.

Replaced with this paragraph: Any notices will be deemed to have been given if such written notice is mailed, postage prepaid, first class or registered mail to the addresses above. In addition, any notice that is received by the party, through hand-delivery, email or other means, shall be deemed given. Either Party may change the address to which notices shall thereafter be given upon five (5) days' prior written notice to the other Party.

XXIV. SUBORDINATION

A. Grant Assurances. This Agreement shall be subordinate to the provisions of any existing or future agreements between the City and the United States of America, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City of federal funds for the development of the Airport (the "Grant Assurances"). In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates the terms of any the Grant Assurances, the City may unilaterally amend, alter, or otherwise modify the terms of this Agreement in order to resolve such conflict or violation without compromising or destroying any remaining portions of this Agreement, and such remaining provisions shall remain binding and in full effect upon the parties as if no such amendment or alteration had occurred, or, if such conflict or violation cannot be so resolved, City may at its election terminate this Agreement on not less than sixty (60) days' notice thereof, without any liability to Lessee.

B. City's Interests. Lessee hereby subordinates and makes this Agreement inferior to all existing and future mortgages, trust indentures, or other security interest of the City or

the City's successor in interest. Lessee shall execute and deliver any documents required to evidence and perfect such subordination.

XXV. FEDERAL CLAUSES

Lessee acknowledges that the City is required by the FAA under the terms of its Grant Assurances to include in this Agreement certain required contract provisions, included as **Exhibit 4** hereto ("Federal Clauses"). Lessee agrees to comply with the Federal Clauses and, where applicable, include the Federal Clauses in each of its subcontracts without limitation or alteration. In the event such Federal Clauses are modified by the FAA or other federal agency with jurisdiction, and the City provides Lessee with not less than thirty (30) days' written notice of such modification, Lessee agrees to comply with the modified Federal Clauses without written amendment of this Agreement. Unless prohibited by federal law, the City shall provide Lessee with notice and a reasonable opportunity to cure before exercising any right of termination provided by the Federal Clauses. Lessee acknowledges that a failure to comply with the Federal Clauses pursuant to this Section XXVIII constitutes an Event Of Default.

XXVI. NO EXCLUSIVE RIGHTS

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. § 40103(e).

XXVII. NO WAIVER OF RIGHTS

No delay or omission in the exercise of any right or remedy of either Party on any default by either Party of its respective obligations under this Agreement shall impair such a right or remedy or be construed as a waiver. Any waiver by either Party of any default on the part of the other must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

XXVIII. AVIGATION EASEMENT

The City reserves for the use and benefit of the public, the right of aircraft to fly in the airspace over the Premises, together with the right of said aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the Airport, and the right to pursue all operations of the Airport.

XXIX. NON-INTERFERENCE WITH AIRPORT OPERATIONS

Lessee expressly agrees for itself, its successors and assigns, and all other Lessee Parties that Lessee shall not conduct operations in or on the Premises in a manner that (i) interferes or might interfere with Airport operations or the reasonable use by others of other leased spaces or common facilities at the Airport, (ii) hinders or might hinder police, fire fighting, or other emergency personnel in the discharge of their duties, (iii) would or would be likely to constitute a hazardous condition at the Airport, (iv) would or would be likely to increase the premiums for insurance policies maintained by the City unless such operations are not otherwise prohibited hereunder and Lessee pays the increase in insurance premiums occasioned by such operations, (v)

is contrary to any applicable Grant Assurance; (vi) would contradict or violate any applicable laws or regulations, directive, or similar restriction issued by any governmental authority having jurisdiction over the Airport, including the City, FAA, DHS, TSA, and Customs and Border Patrol, (vii) would involve any illegal purposes, or (viii) directly or indirectly interferes with the operation by the City or the FAA of air navigational, communication, or flight equipment on the Airport. In the event this covenant is breached, the City reserves the right, after prior written notice to Lessee, to enter upon the Premises and cause the abatement of such interference at the expense of Lessee. The City shall have the right to take any action it considers necessary to protect aerial approaches of the Airport against obstructions, together with the right to prevent Lessee from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. In the event of a breach in Airport security caused by Lessee, resulting in fine or penalty to the City of which Lessee has received prior written notice, such fine or penalty will be charged to Lessee.

XXX. EMERGENCY CLOSURES

During time of war or national emergency, the City shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities, and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with provisions of the agreement with the United States Government, will be suspended. Lessee must comply with all local, state, and federal orders, directives, regulations, guidance, and advisories during public emergencies. Public emergencies include, but are not limited to, national, state, and local security emergencies; public health emergencies and pandemics; evacuations; chemical spills; shelter-in-place alerts; severe weather advisories; boil water advisories; and roadway interruptions. Lessee's failure to comply with any local, state, or federal orders, directives, regulations, guidance, or advisories during a public emergency shall constitute a breach of this Agreement. The City shall have sole discretion in determining if Lessee is compliant with the above. If a public emergency is declared, the City will not be responsible for any expenses or losses incurred as a result of any public emergency.

XXXI. LIMITATION OF LIABILITY

The City shall not be liable to Lessee or Lessee Parties for any damages or loss caused to them or their property by any of the following: Force Majeure Events, water, rain, wind, snow ice, sleet, hail, fire, storms, earthquake, volcanic eruption, or any other weather event or condition outside of the City's control; any Airport tenant, user, operator, or any other third party; or by breakage, stoppage, or leakage of utilities on or adjacent to the Premises. In the event of damage or destruction to the Premises, the City is under no obligation to provide substitute space to Lessee.

XXXII. GOVERNING LAW; VENUE

This Agreement shall be construed in accordance with and governed by the laws of the State of Utah, notwithstanding any conflict-of-law principles. Venue for any action brought pursuant to this Agreement shall be the Fourth Judicial District, Wasatch County, District Court.

XXXIII. TIME OF THE ESSENCE

Time is of the essence in the performance of all of each Party's respective obligations under this Agreement.

XXXIV. AMENDMENTS

No amendment to this Agreement shall be binding on the City or Lessee unless reduced to writing and signed by both Parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.

XXXV. SEVERABILITY

If any provision of this Agreement is held to be illegal, invalid, or unenforceable in full or in part, for any reason, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid, and enforceable, and the other provisions of this Agreement shall not be affected thereby.

XXXVI. MERGER

This Agreement constitutes the final, complete, and exclusive agreement between the Parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither the City nor Lessee has relied on any statement, representation, warranty, nor agreement of the other except for those expressly contained in this Agreement.

XXXVII. HEADINGS

The headings used in this Agreement, including but not limited to those headings used at the beginning of each numbered section herein, are solely for the convenience of the reader and shall not be construed as part of the agreement between the Parties.

XXXVIII. RELATIONSHIP OF PARTIES

This Agreement does not create any partnership, joint venture, employment, or agency relationship between the Parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

XXXIX. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement of the parties regarding the matters described herein, and any representations or understandings not included herein shall have no effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be duly executed, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

HEBER CITY, a Municipal Corporation

APPROVED:

LESSEE:

Mayor

By: _____
Title:

Date

Date

ATTEST:

City Recorder

Date

APPROVED AS TO FORM:

City Attorney

Date

Exhibit 1

Premises

[TBD]

Exhibit 2

Snow Removal Plan

[TBD]

Exhibit 3

Dispute Resolution Protocol

- A. Notice and Opportunity to Cure. Unless a shorter cure period or right to immediate termination is expressly provided in this Agreement, no Party shall be considered in default of any provision of this Agreement, or any covenant or obligation pertaining to the use or occupancy of Airport property, and no right of termination shall arise, unless and until the counter-Party has provided such Party with written notice of default and not less than thirty (30) days to cure such default or, if the default is not capable of cure within thirty (30) days, such Party has within thirty (30) days commenced, and thereafter diligently proceeds to complete, those actions reasonably necessary to cure such Party's default.
- B. Informal Dispute Resolution. The Parties agree that, at all times, they will attempt in good faith to resolve all disputes that may arise under this Agreement. Upon receipt of written notice of a dispute from a Party, the Parties agree to refer the dispute to the City Manager, for the City, and the Chief Executive Officer, for Lessee (collectively, "Designated Persons"). The Designated Persons shall within fifteen (15) days of such written notice meet and negotiate in good faith to resolve the dispute, conferring thereafter as often as they deem reasonably necessary, and shall gather and in good faith furnish to each other any information pertinent to the dispute. All communications between the Designated Persons during the dispute resolution procedures set forth in this Paragraph shall be deemed confidential and treated as compromise and settlement negotiations and shall not be admissible in evidence by any proceeding without the mutual consent of the Parties.
- C. Mediation. Mediation of a dispute arising under this Agreement may not be commenced until the earlier of: (i) such time as both of the Designated Persons, after following the procedures set forth in Paragraph A and B hereof, conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely or (ii) fifteen (15) days after the date of the notice referring the dispute to the Designated Persons. If, after such time period, the dispute remains unresolved, the Parties shall attempt to resolve the dispute through mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures. The place of mediation shall be in Heber City, Utah, unless the parties agree otherwise. Mediation under this paragraph shall be a necessary prerequisite to any judicial action to enforce the terms and conditions of this Agreement, unless waived in writing with the mutual consent of both Parties.
- D. Jurisdiction, Venue and Applicable Law. With respect to an action to enforce the terms and conditions of this Agreement only, the Parties consent to the exercise of jurisdiction of Fourth Judicial District, Wasatch County, District Court and hereby agree that the venue of any action with respect to the enforcement of the terms and conditions of this Agreement shall be properly placed before this same court. This Agreement shall be interpreted under the laws of the State of Utah.

- E. Emergency Relief. No Party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and is not otherwise available under this Agreement.
- F. Tolling. If a Party receiving a notice of default under this Agreement contests, disputes or challenges the propriety of such notice by making application to the dispute resolution procedure in this **Exhibit 3**, any cure period that applies to such default shall be tolled for the time period between such application and the issuance of a final award.
- G. **FAA Disputes**. The Parties understand and acknowledge the FAA's exclusive jurisdiction to determine the City's compliance with its federal Grant Assurance obligations (a "Compliance Dispute"), and that any remedies which may be imposed by the FAA for noncompliance therewith are exclusive. Accordingly, in the event of a Compliance Dispute, and after exhausting the procedures described in Paragraphs A and B hereof, either Party may initiate an informal or formal complaint proceeding with the FAA in accordance with 14 C.F.R. Parts 13 and 16 or similar succeeding provisions, without regard to the other provisions hereof. WHY written this way? Federal Statutes non exclusive

Replaced with these paragraphs:

- A. Any notices will be deemed to have been given if such written notice is mailed, postage prepaid, first class or registered mail to the addresses above. In addition, any notice that is received by the party, through hand-delivery, email or other means, shall be deemed given. Either Party may change the address to which notices shall thereafter be given upon five (5) days' prior written notice to the other Party.
- B. **Jurisdiction, Venue and Applicable Law**. With respect to an action to enforce the terms and conditions of this Agreement only, the Parties consent to the exercise of jurisdiction of Fourth Judicial District, Wasatch County, District Court and hereby agree that the venue of any action with respect to the enforcement of the terms and conditions of this Agreement shall be properly placed before this same court. This Agreement shall be interpreted under the laws of the State of Utah
- C. **Emergency Relief**. No Party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and is not otherwise available under this Agreement.
- D. **FAA Disputes**. The Parties understand and acknowledge the FAA's exclusive jurisdiction to determine the City's compliance with its federal Grant Assurance obligations (a "Compliance Dispute"), and that any remedies which may be imposed by the FAA for noncompliance therewith are exclusive. Accordingly, in the event of a Compliance Dispute, and after exhausting the procedures described in Paragraphs A and B hereof, either Party may initiate an informal or formal complaint proceeding with the FAA in accordance with 14 C.F.R. Parts 13 and 16 or similar succeeding provisions, without regard to the other provisions hereof.

Exhibit 4

FAA Required Contract Clauses

As per your request here is the verbiage used on the T Hangars for the 5% renewal fee.

(iii) At the commencement of the **Renewal Term, Lessee must pay a “Renewal Fee” equal to five percent (5%)** of the combined total value of the Project improvements at renewal based on the appraised fair market value of the improvements with the additional anticipated 40-year leasehold interest. In order to determine such fair market value, after receipt of Lessee’s notice to extend the Term, the City will select and notify Lessee of the identity of an independent qualified real estate appraiser who shall be a member of a nationally or state recognized appraisal organization, who shall be certified by the State of Utah to conduct appraisals, who shall have at least ten (10) years of commercial real estate appraisal experience, and who has performed at least one appraisal of airport property. If Lessee does not accept the City’s selected appraiser, then Lessee may request the parties meet and attempt for a period of thirty (30) days to agree on an appraiser with the qualifications described in this paragraph to determine the fair market value. The appraiser shall determine the fair market value as set out below:

a. The appraiser, within ninety (90) days following his or her selection, shall conduct an appraisal to establish the current fair market value of the Project improvements with the additional anticipated 40-year leasehold interest and not subject to the leasehold condominium. The cost of the appraisal shall be borne by the City. A copy of the appraisal shall be delivered to the Lessee and to the City.

b. If Lessee disputes the determination of the fair market value as determined by appraisal, the Lessee may obtain at its expense, an appraisal on the same terms and conditions as set forth above, but at the expense of the Lessee. The Lessee shall notify the City of the identity of the appraiser. If the City does not accept the Lessee’s selected appraiser, then the City may request the parties meet and attempt for a period of thirty (30) days to agree on an appraiser with the qualifications described in this section. If the appraised fair market value as determined by the second appraisal is within five percent (5%) of the first appraisal, the fair market value will be that as determined in the first appraisal. If the appraised fair market value in the second appraisal is more than five percent (5%) different from the first appraisal, then the first appraiser and second appraiser shall jointly select a third appraiser who shall determine the fair market value on the same terms and conditions as set forth above at the joint expense of the parties. The fair market value shall be the average of the two appraised fair market values which are closest.

(iv) Lessee is compliant with all of the most current airport rules and regulations, minimum standards, and any and all federal rules, regulations, directives, guidelines or other obligations with respect to the Airport, including but not limited to the “grant assurances” to the FAA.

(v) The foregoing notwithstanding, in its sole discretion, the City reserves the right not to extend the term of this Agreement if, at renewal, the Leased Premises is required for an

airport purpose other than the continuation of the contemplated Project. The City shall have no liability to Lessee for the exercise of such discretion.