

HANGAR
HANGAR GROUND LEASE AGREEMENT
HEBER CITY AIRPORT

LESSOR: HEBER CITY CORPORATION

LESSEE: _____

DATED: _____

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HANGAR GROUND LEASE AGREEMENT

LEASE AGREEMENT made this _____ day of _____,
_____, between HEBER CITY, herein called City, Lessor or Heber City, and _____
_____, herein called Lessee.

RECITALS

A. Heber City owns and operates at the HEBER CITY AIRPORT located in Wasatch County, State of Utah, herein called Airport.

B. Lessee desires to lease a parcel of land on the Airport premises for the purpose of erecting and/or maintaining an existing aircraft hangar owned by Lessee for the storage of aircraft.

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

I. PREMISES. The City hereby leases to Lessee the Parcel of land only which is known as Hanger # _____ at the Heber City Airport, Wasatch County Utah more fully described on Exhibit "A" attached and made part hereof.

II. TERM.

A. Subject to all other provisions of this Agreement regarding termination reserved herein, the term of this lease shall commence on the _____ day of _____, 20__ and end on the _____ day of _____, 20__, a duration of twenty (20) years, hereinafter the “**Initial Term**,” unless sooner terminated in accordance with the provisions hereof.

B. Subject to the conditions set forth herein, Lessee shall have the option to extend the term of this Agreement for two (2) additional periods of five (5) years each, hereinafter the "**Extended Term(s)**," provided Lessee is not in default in the payment of any rent or in default in any other provisions of this Agreement at the time of its exercise of any

such option. With the exception of rentals due, the terms and conditions applicable during the Initial Term of this Agreement shall remain applicable during any Extended Term. The rent escalation shall continue throughout the Initial Term and any Extended Term as provided.

- C. The City desires to offer Lessee an opportunity to enter into a new lease for the Leased Premises on the terms set forth in this Agreement upon the expiration of the last of the two (2) Extended Terms described in Section II.B. above, should they be exercised by Lessee. If Lessee desires to continue occupying the Leased Premises after the expiration of all two (2) Extended Terms, Lessee may request that the City grants a new lease agreement. Such a request shall be made by Lessee in writing and delivered to the City not earlier than three hundred sixty-five (365) days and not later than one hundred twenty (120) days prior to the expiration of the last Extended Term. If: (i) if Lessee is not then in default under any provision of this Agreement; and (ii) the City certifies the conditions of the lease have been met and agrees to offer to lease the Leased Premises to hangar tenants or an association of hangar tenants; and (iii) such a new lease would be consistent with the Airport's master plan then in effect and any and all federal rules, regulations, directives, guidelines or other obligations with respect to Airport, including but not limited to the "grant assurances" to the FAA ; then the City will offer Lessee a new lease of the Leased Premises, under such terms and conditions, including rental rates and duration of the lease term and on the then-current lease form

being offered by the City.

III. FIRST RIGHT OF REFUSAL TO RENEW LEASE. Lessee shall have the first right of refusal to renew this lease agreement on the condition that Lessee is not in default hereunder at the time of such renewal and provided the renewal term does not exceed five (5) years. To renew this Lease under the first right of refusal, Lessee shall provide a minimum of thirty (30) days written notice to Lessor prior to the expiration of the initial lease term stating Lessee's desire the opportunity to exercise his first right of refusal. The terms and conditions contained herein shall govern any renewal of this Lease unless otherwise agreed between the parties hereto. If Lessee fails to provide a minimum of thirty (30) days written notice to Lessor prior to the expiration of the initial lease term stating Lessee's desire to exercise his first right of refusal, Lessee then, as a result of inaction, loses the opportunity to exercise the first right of refusal and the Lease shall not be renewed.

IV. LESSEE'S RIGHT TO REMOVE IMPROVEMENTS. Upon the termination of this lease, Lessee shall have the right to remove any improvements erected by Lessee on the premises during the lease term or any renewal. Lessee, upon removal of any improvements shall restore the land to as good condition as it was in prior to the erection of any improvements thereon. Lessee hereby agrees that removal of any and all improvements shall be completed on or before sixty (60) days from termination of this lease. Lessee hereby consents and agrees that any improvements remaining on the premises after the sixty (60) day removal period shall at the option of the City be deemed abandoned and owned by the City without any claim or right whatsoever in Lessee.

V. RENTALS, FEES AND CHARGES. Subject to re-negotiation and change of rental rates as hereinafter provided, the Lessee agrees to pay the City for the use of the premises, facilities, rights, services and privileges granted herein, the following rental, payable to Heber City.

A. Rental for the above-described parcel was paid for ____ at the current rate of \$0.337 cents per square foot for entire lease footprint..

Parcel	Area	Rate
_____	_____ sq. feet	_____

B. The rent of the above described land for each following year of the agreement shall be \$_____, and is due and payable to Heber City Corporation, in advance, on the first day of each calendar year of the Agreement.

C. Rents provided for herein are subject to an annual change per the Consumer Price Index (C.P.I.).

D. All payments due the City under this Lease, including rent, that are not paid on or before thirty (30) days from the due date shall incur a late fee of ten (10%) percent for each 90 days or portions thereof that the amount remains delinquent.

E. All payments due the City under this Lease shall be delivered to the Heber City Corporation, 75 North Main Street, Heber City, Utah 84032 or as otherwise directed in writing by the City.

VI. USE OF PREMISES. The leased premises and any and all improvements located thereupon shall be used solely for conducting the following activities and shall not be used as overnight sleeping quarters:

A. Storage of aviation related equipment

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

Lessee acknowledges that the premises may not be used for commercial purposes, or as a fixed-base operator, or as a SASO, without Heber City Council approval, and without Lessee meeting and complying with Heber City minimum standards, and any and all minimum standards of the International Building Code and International Fire Code, as may exist at that

time for such operation. Further, Lessee agrees to maintain the storage in this area in neat condition. However, in the event that Lessee's commercial business does not involve or affiliate with aeronautical repair, maintenance, construction, fueling or other associated services associated with aeronautical type services, labor or work, Lessee's business shall not be subject to said FAA minimum standards, such as in the case of a retail or restaurant type business, or any other similar manner of business.

Commercial Lease Activities: Any sublease is not, by definition, a commercial activity.

However, any such sublease shall be under the same standards and restrictions as the original Lessee, and if the sub lessee shall be required to obtain a SASO permit from the City for such commercial activity.

VII. CONSTRUCTION - IMPROVEMENTS. Lessee may make improvements on the premises. Lessee, as additional rent, shall construct and maintain a paved aircraft ramp area on the Leased Premises (the "Ramp."). The Ramp 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 Leased Premises, and to connect with adjacent taxiway, ramp and/or auto parking areas, in order that a continuous and safe pavement section results. If access to the Leased Premises is not available on existing taxiways and/or roadways, then Lessee may also be required to construct the same. It is the responsibility of Lessee to maintain the entire Ramp area, and all other pavement areas on the Leased Premises, in a manner, which is safe and clean of debris so as not to cause danger or unsafe conditions for taxiing aircraft and Airport users. Notwithstanding the foregoing, the City shall be responsible for snow removal on the aircraft Ramp area excluding any parking and side lots and excluding any area within three feet (3') of any Hangar; provided, however, that priority of snow removal shall be in accordance with the City's Snow Removal Plan as it now exists or as it may be amended in the City's sole discretion. Lessee grants to users of the Airport the right to use aircraft Ramp areas on the Leased Premises

from time to time for passage of aircraft on and near the adjacent taxiway. The construction time and default provisions of this Agreement shall be applicable to the Ramp described in this section.

VIII. OBLIGATIONS OF LESSEE.

A. Lessee agrees to notify the airport manager, in writing, within ten (10) days of its basing, of the registration number of the aircraft and the person(s) responsible for it, including off hours emergency phone numbers, for all aircraft stored on the leased premises.

B. Lessee shall be solely responsible for all costs or charges for utility services required by the Lessee during the term of this Lease.

C. Lessee agrees to maintain the demised premises including the interior of the hangar in a neat, orderly and safe condition, and free from waste, rubbish, snow or other hazards throughout the term of this Lease. Lessee shall not store or let stand any equipment or property belonging to the Lessee or under the Lessee's custody, outside the boundaries of the leased areas without prior consent of the City, except when such equipment or property is in the process of being loaded or unloaded. Should the Lessee fail to repair and maintain the leased premises in proper condition, the City shall so notify the Lessee in writing. If the Lessee then fails to make such repair or maintenance within ten (10) days after the notice has been sent the City may cause such repair or maintenance service to be made. Lessee agrees to pay all City's costs incurred thereby and reimburse the City therefore on demand. If said costs and expenses are not paid within fifteen (15) days after demand therefore, this Lease shall be deemed to be in default and the City shall be entitled to all legal remedies provided hereunder, including termination of this Lease.

D. Lessee shall exercise due and reasonable caution to prevent fire, accidents, hazards or nuisances on the premises. Should the Lessee fail to remove or abate said hazard or nuisance after being notified to do so, the City may abate said hazard or nuisance and

charge the cost thereof to the Lessee as provided in C above or at the City's option to terminate the Lease.

E. Lessee agrees at its own expense to cause the premises and improvements and appurtenances thereto to be maintained in a presentable condition consistent with good maintenance practices. This shall include, although not be limited to, the obligations of the Lessee to maintain the premises in a clean, neat and orderly condition at all times, and to perform the necessary mowing and snow removal on the premises during the appropriate periods of the year. The Airport will assist in snow removal when capability and priority permit.

F. Lessee shall not erect, install, or cause to permit to be erected, installed or operated upon the premises herein any sign or advertising device without first having obtained the City's consent thereto. If the City consents it may set forth the size, construction, location and general appearance of any such permitted sign or device.

G. Lessee shall not have the right to sell or distribute any parts, fuels, oils, or similar products upon said demised premises or upon said airport pursuant to this Lease.

H. Lessee agrees to keep the demised premises free of any mechanic's or materialmen's liens or other lien of any kind or nature for any work done, labor performed or material furnished thereon at instance or occasion of the Lessee and the Lessee further agrees to indemnify and save the City harmless from and against any and all claims, demands, costs and expenses of any nature whatsoever from any such work done, labor performed or materials furnished.

I. Lessee shall obey all applicable rules, regulations, ordinances and laws that may be from time to time promulgated by the City, State and Federal Government or agency thereof.

J. Lessee agrees to cause to be removed from the premises at its own expense all waste, garbage and rubbish and agrees not to deposit same, except temporarily in

connection with collection for removal in Airport designated locations, on any part of the premises or other property of the City constituting the Airport.

K. With respect to new construction the general design and appearance of the same must receive the approval of the Heber City Airport Board.

L. **LEASEHOLD MORTGAGES**

1. If Lessee shall execute a Leasehold Mortgage of its leasehold estate to an entity which is not directly or indirectly owned or controlled by, or is not under common ownership or control with Lessee (collectively, an "Unaffiliated Entity" hereafter), and if the holder of such Leasehold Mortgage shall provide the City with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, then following receipt of such notice by the City, the provisions of this Article 10 shall apply in respect to such Leasehold Mortgage.
2. 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 contemplated by Articles 4.4 through 4.5, above.
3. 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 10.1, above. Such Leasehold Mortgagee shall have the additional periods of time specified in Sections 10.4 hereof to remedy, commence remedying, or cause to be remedied the default or acts or omissions which are specified in any such notice. The City shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee.

4. Anything contained in this Agreement to the contrary notwithstanding, if any default shall occur which entitles the City to terminate this Agreement, the City shall have no right to terminate this Agreement unless, following the expiration of the period of time given Lessee to cure such default or the act or omission which gave rise to such default, the Leasehold Mortgagee is given an additional period of thirty (30) days to:
 - a. Notify the City of such Leasehold Mortgagee's desire to defeat such Termination Notice; and
 - b. Pay or cause to be paid all rent, additional rent, and other payments then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such thirty (30) day period; and
 - c. Comply with due diligence and continuity, or in good faith commence to and with diligence continue to pursue compliance with all non-monetary requirements of this Agreement then in default.
5. 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 Hangar and Improvements on the Leased 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 building or other improvements.

IX INDEMNIFICATION AND HOLD HARMLESS. Lessee expressly agrees to defend, protect, indemnify and hold harmless the City, its officers, agents and employees free and harmless from and against any and all claims, demands, damages, expenses, losses or liability of any kind or nature whatsoever which the City, its officers, agents or employees may sustain or incur or which may be imposed upon them for injury to or death of

persons or damages to property arising out of or resulting from the negligent acts or negligent omissions of the Lessee, its officers, agents, employees or guests in their use or misuse of the demised premises. Lessee agrees to defend at its own cost, expense and risk all claims or legal actions that may be instituted against either the Lessee or the City, which arise out of the negligent acts or omissions of the Lessee. Lessee agrees to pay any settlement entered into and satisfy any judgment that may be rendered against either the Lessee or the City as a result of any negligent injuries or damages which have resulted from or are connected with this Lease or the occupancy or use of the demised premises by the Lessee, or its officers, agents, employees or licensees, including reasonable attorney fees.

X. HEBER CITY ORDINANCES. Lessee hereby acknowledges the applicability of the Heber City Municipal Ordinances to this Lease Agreement. Lessee hereby acknowledges notice of the terms, conditions and requirements presently contained therein and agrees, so far as said ordinance applies to persons such as Lessee herein, to comply with such ordinances as now in effect or as it may be amended during the term of this Lease or any renewal. **Specifically, the terms and conditions of Title 15 as currently existing or as may be amended are incorporated herein by reference and made part hereof as though written herein.**

XI. INSURANCE. Concurrent with the execution of this Lease and as partial performance of the obligations assumed under paragraph IX, (INDEMNIFICATION AND HOLD HARMLESS) hereof, the Lessee shall have from a reliable insurance company or companies authorized to do business in the State of Utah, liability insurance in such minimum amount as may be required by Heber City pursuant to reasonable exercise of its municipal powers.

The above insurance policy or policies shall contain an endorsement which provides that the Lessee is named insured as it pertains to said leasehold. Lessee shall provide

the City with written evidence of said insurance at all times this Lease is in effect.

All insurance policies secured by the Lessee providing the coverages which affect the leasehold premises required under this Lease shall require each insurer to notify the City by registered or certified mail of any modification, termination or cancellation of any policy of insurance that affects the leasehold premises no less than thirty (30) days prior to the effective date of such modification, termination or cancellation. Notice by the insurer shall be effective upon the receipt of said notice by the City. In addition to any other requirements of this Lease, the Lessee shall notify the City of any modification which affects the leasehold premises, termination or cancellation of any policy of insurance secured by the Lessee pursuant to this paragraph as soon as the Lessee learns of any such modification, termination or cancellation. Each of said policies shall stipulate that the policy provided coverage is not subordinate to nor contributing with any other insurance coverage held or maintained by the City. The procuring of such policy or policies of insurance shall not be construed to be a limitation upon the Lessee's liability or a waiver of performance on the Lessee's part of the indemnification and hold harmless provisions of this Lease; and the Lessee understands and agrees that notwithstanding any policy or policies of insurance it remains the Lessee's obligation to protect, indemnify and hold harmless the City hereunder for the full and total amount of any damage, injuries, loss, expense, costs or liabilities caused by or in any manner connected with or attributed to the negligent acts or omissions of the Lessee, its officers, agents, employees, licensees or the operations conducted by the Lessee, or the Lessee's use, misuse or neglect of the premises described herein.

XII PERMITS, LICENSES AND CERTIFICATES. Lessee shall obtain any and all permits, licenses and certificates which may be required in connection with the improvement and use of the demised premises and aircraft operations. Lessee shall comply with all applicable federal, state and local laws and regulations and the Lessee shall keep in effect any and all licenses, permits, notices and certificates as are required.

XIII ASSIGNMENT.

- A. Lessee shall not assign this Lease, or sublease any part of the premises without prior written approval of the City which approval shall not be unreasonably withheld. However, a 1% transfer fee or \$100.00, whichever is the greater amount, shall be paid to the City based upon the current assessor's valuation at the time of the assignment or transfer of the lease or sale of the hangar. The City hereby agrees that this Lease may be assigned as security for any hangar construction related loan required by Lessee, provided that such assignment permits Lessee to remain in possession except in the event of foreclosure. In the event of foreclosure or forfeiture by the holder of such security, the City consents to further assignment to any person, firm or corporation which is fully competent and has the necessary facilities, experience and financial resources to perform the obligations contained in this agreement on the part of the Lessee to be performed, provided such proposed assignee shall expressly assume said obligations in writing. In the event that Hangar is sold prior to the end of term, a new lease for the Buyer may be entered into between Heber City and Buyer at the above mentioned Term and Rate consistent with market value as well as the 1% Transfer fee based on appraised value of said Hangar, at the sole discretion of the City.
- B. Right of First Refusal for Assignment – If at any time Lessee desires to sell, assign, or otherwise transfer its interest under this Agreement, including the Improvements existing on the Leased Premises, to a Buyer, and has obtained a bona fide offer for such sale, Lessee must first offer to sell, assign, 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 state the name of the proposed transferee and all of the terms and conditions of the proposed transfer. The City shall have the right for a period of ten (10) business days after receipt

of the offer from Lessee to elect to purchase Lessee's interest (such ten [10] day period referred to as the "Election Period"). If the City does not desire to purchase Lessee's interest, Lessee may then sell, assign, 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 Section XII.A above. If Lessee fails to close such sale within sixty (60) days after the expiration of the Election Period, any proposed sale, assignment or other transfer thereafter shall again be subject to this Section. This right of the City shall be continuing and shall survive any sale, assignment 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, assigned or otherwise transferred intact, without fractionalization.

XIV RIGHT OF ENTRY AND INSPECTION. The City hereby reserves the right to enter into and upon the leased premises and any improvements thereon at all reasonable times and for all reasonable purposes without prior notice. The City or the airport manager or its or his designated representative shall have the right to exercise this right of inspection. The Lessee will be required to schedule an annual hangar inspection from available dates that will be provided by the Airport Manager. Failure to schedule and complete an annual inspection will result in the hangar being flagged for non-use until the inspection has been completed.

XV RULES AND REGULATIONS. The City shall have the right to adopt and enforce reasonable rules and regulations with respect to the use of the airport and the public terminal building and appurtenances, provided that such rules and regulations shall not be inconsistent with safety and with rules and regulations of the Federal Aviation Administration with respect to aircraft operations at the airport.

XVI GOVERNMENTAL RESERVATIONS AND RESTRICTIONS.

A. During the time of war or national emergency, the City shall have

the right to lease the landing area, or any part thereof, to the United States Government for military or naval use, and if such Lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the government, shall be suspended.

B. The City reserves the right to further develop or improve the airport as it sees fit, regardless of the desires or views of the Lessee and without interference or hindrance from Lessee.

C. There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises hereby leased, together with the right to cause such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on the airport.

D. The City reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstructions together with the right to prevent the Lessee from erecting, or permitting to be erected, or maintaining any building or other structure on or adjacent to the airport which, in the opinion of the City, would limit the usefulness of the airport or constitute a hazard to aircraft. It is understood and agreed that nothing in this Lease shall be construed to grant or authorize the granting of any exclusive rights to Lessee within the meaning of the civil Aeronautics Act.

XVII THE CITY'S RIGHT OF CANCELLATION. In addition to all other remedies reserved by the City, this agreement, shall be subject to cancellation by the City should one or more of the following events occur:

A. If the Lessee fails to pay when due the whole or any part of the amounts agreed upon for rents and charges and such default continues for sixty (60) days after the City has demanded payment in writing.

B. If the Lessee shall fail to perform or keep and observe any of the

covenants and conditions contained in this contract to be performed, kept and observed by Lessee, and Lessee fails to correct any breach hereof after sixty (60) days written notice from the City or ten (10) days if the default constitutes a risk to the health or safety of others, then and in such event the City shall have the right at once to declare this contract terminated.

C. The City reserves the right to terminate this Lease upon giving four month's written notice if the City has a need for the property for public purposes. In the event of a termination under this paragraph, the City must compensate the Lessee for the purchase cost of the improvement, the hangar, less depreciation based on straight line depreciation thirty years life expectancy if the Lessee elects to abandon the hangar or if the Lessee elects to remove the hangar the City must compensate the Lessee \$5,000.00 or \$1,000.00 for each remaining year of the Lease, whichever is the lesser amount.

XVIII LESSEE'S RIGHT OF CANCELLATION. In addition to all other remedies available to the Lessee, this agreement shall be subject to cancellation by the Lessee should any one or more of the following events occur:

A. The permanent and complete abandonment of the airport as an aviation facility.

B. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restricting the use of the airport and the remaining in force of such injunction for at least thirty (30) days.

C. The breach by the City of any terms, conditions and covenants of this agreement to be kept, performed and observed by the City and the failure to remedy such a breach for a period of thirty (30) days after written notice from the Lessee of the existence of such a breach.

D. The assumption by the United States Government, or any authorized agents of the same, of the operation, control or use of the airport and its facilities, in

such a manner as to substantially restrict the Lessee from normal use, if such restriction is continued for a period of ninety (90) days or more.

XIX FORCE MAJEURE. If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason or act of God, flood, hurricane, tornado, earthquake, strikes, lockouts, which are beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delays; provided, however, nothing in this clause shall excuse the Lessee from the prompt payment of rental or other charges required hereunder to be paid by Lessee except as may expressly be provided elsewhere in this Lease.

XX DESTRUCTION OF PREMISES. Should the improvements to the demised premises be damaged or destroyed in whole or in part, by fire, earthquake or any other casualty at any time during the term of this Lease so that the same cannot be repaired within ninety (90) working days to substantially the same condition it was in immediately prior to the happening of such casualty, then either the City or the Lessee may, within fifteen (15) working days after the ninety (90) working days after the happening of such casualty, terminate this Lease as of the date of said casualty. Lessee shall proceed, within ninety (90) working days, with the restoration and reconstruction of the improvements on the demised premises to substantially the same condition in which they were in prior to the happening of the casualty. In no event shall the City be liable to the Lessee for any damages resulting to the Lessee from the happening of such fire or other casualty or from the repair or construction of the demised premises or from the termination of this Lease as herein provided, nor shall the Lessee be released thereby from any of its obligations hereunder except as expressly stated in this clause.

XXI COSTS OF SUSTAINING AN ACTION FOR BREACH OR DEFAULT. In the event either the City or the Lessee commences legal action against the other claiming a

breach or default of this Lease, the prevailing party in such litigation shall be entitled to recover from the other reasonable attorney fees and all costs connected with said litigation.

XXII PARTIAL INVALIDITY. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

XXIII ABANDONMENT. If the Lessee shall abandon or be dispossessed by process of law or otherwise, any personal property belonging to the Lessee and left on the premises after such abandonment or dispossession shall at the option of the City be deemed to have been transferred to the City; and the City shall have the right to remove and to dispose of the same without liability to account therefore to the Lessee or to any person claiming under the Lessee.

XXIV UNLAWFUL USE. Lessee agrees that no improvement shall be erected, placed upon, operated or maintained on the demised premises, nor shall business be conducted or carried on therein in violation of the terms of this Lease or any applicable law, statute, ordinance, regulation, rule or order of any governmental agency having jurisdiction hereover.

XXV LEASE SUBORDINATE TO AGREEMENTS WITH U.S.A. This Lease shall be subordinate to the provisions of any existing or future agreement between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditures of Federal funds for the development of the Airport.

XXVI DEVELOPMENT OF AIRPORT. The City reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or views of the Lessee and without interference or hindrance by the Lessee.

XXVII AIRPORT FACILITIES. Lessee is hereby granted the nonexclusive

right, in common with all present and future users, to the use of such of the City's Heber City Airport public facilities as are designated by the Airport Manager from time to time. As an incident to all the other uses provided for in this Lease, the Lessee, its employees, authorized representatives, invitees, permittees, licensees, customers and patrons shall have the right to use all public waiting rooms and public lavatories provided such use shall be in common with others and may be suspended during any period when maintenance, repairs or improvements are being made thereto.

XXVIII BANKRUPTCY. Should the Lessee make an assignment for the benefit of creditors or should a voluntary or involuntary petition of bankruptcy or for reorganization or any arrangement be filed by or against the Lessee, or if the Lessee should become bankrupt or insolvent or if a receiver be appointed at the request of the Lessee's creditors (except as a receiver appointed at the request of the City) such action shall constitute a breach of this Lease for which the City at its option, may terminate all rights of the Lessee or Lessee's successors in interest under this Lease.

XXIX TAXES AND ASSESSMENTS. Lessee shall pay before delinquency, all taxes, license fees, assessments and other charges which are levied and assessed against and upon the premises, fixtures, equipment or other property caused or suffered by the Lessee to be installed, located or placed upon the leased premises. The Lessee shall furnish the City with satisfactory evidence of these payments upon demand from the City. Lessee acknowledges that this Lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest. Lessee agrees to assume and pay any such assessment.

XXX MARGINAL CAPTIONS. The various headings and numbers herein and the grouping of the provisions of this Lease into separate section, paragraphs and clauses are for the purpose of convenience only and shall not be considered a part thereof.

XXXI AMENDMENTS TO BE IN WRITING. This Lease sets forth all of the agreements and understandings of the parties and is not subject to modification except in writing, duly executed by the legally authorized representatives of each of the parties.

XXXII SUCCESSORS IN INTEREST. The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all of the parties shall be jointly and severally liable hereunder.

XXXIII NONEXCLUSIVE 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 Section 1349, of the United States code.

XXXIV WAIVER OF RIGHTS. The failure of the City to insist upon strict enforcement of any of the terms, conditions and covenants herein shall not be deemed a waiver of any rights or remedies that the City may have and shall not be deemed a waiver of any subsequent breach or default by Lessee of the terms, conditions and covenants herein contained.

XXXV NOTICES AND CONTACT INFORMATION. All notices given or to be given, by either party to the other shall be given in writing and shall be addressed or delivered to the parties at the addresses hereinafter set forth or at such other addresses as the parties may by written notice hereafter designate. Notices to the City and the Lessee shall be addressed as follows:

TO: HEBER CITY
City Airport Manager c/o the City Recorder
75 North Main
Heber City, Utah 84032

TO: LESSEE

For emergency purposes, the Lessee is also to provide the following contact information:

Email Address: _____

Primary Cell Phone #: _____

Secondary Phone #: _____

XXXVI HOLDOVER. In the event the Lessee shall hold over after the term granted herein, then such holding over shall be construed to be a tenancy from month-to-month only. Prepayment of rent beyond one month shall not be construed to alter or change the month-to-month status of any holdover tenancy. Lessee agrees to comply and abide with all other terms and conditions of this Lease in the event Lessee holds over after the term provided in this Lease expires.

XXXVII TIME. Time is of the essence of this Lease.

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

LESSEE:

APPROVED:

By: _____ Date: _____

_____ Date: _____

By: _____ Date: _____

Mayor,

ATTEST:

_____ Date:
City Recorder,

APPROVED AS TO FORM:

_____ Date:
Airport Manager,