

5/21/14

AIRPORT PROPERTY LEASE AGREEMENT

Aircraft Hangar

THIS AGREEMENT made and entered into as of the **21<sup>st</sup> day of May, 2014**, by and between ROOSEVELT CITY, a Municipal Corporation of the State of Utah, Roosevelt, Utah, Party of the First Part, hereinafter referred to as "CITY", and **Classic Air Care, Woods Cross, Utah**, Party of the Second Part, hereinafter referred to as "TENANT".

WITNESSETH

1. The CITY, for and in consideration of the covenants and agreements herein contained to be kept and performed by the TENANT, has and does hereby demise and lease unto the TENANT, and said TENANT hereby leases from the CITY that certain ground space on the Roosevelt Municipal Airport specifically designated by the CITY, being an area one hundred (100') feet by fifty (50') feet, for a total of 5,000 square feet, for the purpose of erecting and maintaining thereon, an airplane hangar for a term of thirty (30) years commencing on the effective date hereof and ending on the last day of **June 2044**. The 100' x 50' area being leased shall be defined as follows:

**Airport Hangar Lease lots 32A and 32B, as identified on the attached hangar lease exhibit.**

2. TENANT covenants and agrees to pay CITY rental for use and occupation of said premises annually the sum of ten (\$.10) cents per square foot thereof, totaling **Five Hundred Dollars (\$500) per year**. In connection with said rental, it is expressly agreed by the parties hereto that the rental shall be subject to re-negotiation and agreement at the end of each one (1) year period beginning **May 21, 2014**, and at the end of each year thereafter and that the rate shall not be annually adjusted upward or downward in excess of five (5%) percent of the previous year. All rental payments shall be due on or before **July 1st** of each calendar year, provided that the first year's pro-rated rental shall be due and payable upon the execution of this lease.

3. It is expressly understood and agreed by and between the parties that in the event CITY finds it necessary to devote the leased property to the betterment of the airport for use other than a private hanger, CITY shall have the right to require the structure relocated to a location designated by CITY or at tenants option may be

removed from airport property. Should it become necessary to relocate the private hangar, the TENANT has the opportunity to terminate this lease and be refunded the unused portion of the annual payment, or to relocate at TENANT's expense.

4. TENANT shall be entitled to store and maintain on the lease premises, fuel, gasoline or other combustible material for TENANT's own use only, provided that such fuel, gasoline, or other combustible material shall be stored or maintained under conditions and standards for such storage as provided for by the Uniform Building Code and the Uniform Fire Code, copies of which are located at CITY's office. TENANT agrees not to sell or offer to sell fuel, gasoline or other combustible material to any other individual on the CITY property. If the CITY finds that TENANT is selling fuel to any other person on the airport property including this leased property, the CITY may terminate this lease and TENANT agrees to remove the hanger and all other personal property within Sixty (60) days or it will be forfeited to the CITY and TENANT must vacate the premises.

5. TENANT agrees to provide his own driveway, taxi ramp, improvements, snow removal, and maintenance to lease premises at his own expense. Upon termination of this lease, TENANT may at his option, remove hanger, re-instate lease or forfeit hanger to the CITY. TENANT agrees to construct any improvements or buildings in accordance with CITY regulations and subject to inspection and approval by CITY. TENANT agrees to purchase all appropriate licenses and permits required by the CITY for the purpose of constructing the private hanger.

6. TENANT shall at all times, abide by all rules and regulations of the Civil Aeronautics Administration and abide by all rules, regulations and ordinances of Roosevelt City pertaining to said airport, and all State laws applicable thereto.

7. The CITY reserves the right to further develop or improve any portion of the airport as it sees fit, regardless of the views and desires of the TENANT and without interference or hindrance.

8. 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 TENANT from erecting, or permitting to be erected, or maintaining any building or other structure on the airport which, in the opinion of the CITY, would limit the usefulness of the airport or constitute a hazard to aircraft. It is further agreed that the hanger erected upon the demised premises shall not be subject to commercial use

other than for renting of hanger space, and the re-manufacturing of light aircraft for re-sale.

9. This lease shall be subordinate to any regulations of the Federal Aviation Administration and to provisions of any existing or future agreement between the CITY and the United States, or any of its agencies, relative to the operation, maintenance or expansion of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal Funds for the development of the airport.

10. In the event that the TENANT shall fail to pay said rentals on the date the same become due and payable for Thirty (30) days thereafter, or should TENANT fail to comply with any other covenant or agreement upon its part to be kept or performed after notice of such failure having been given by CITY and TENANT not curing said default within thirty (30) days after said notice, then in that event, CITY shall have the right to declare this agreement terminated and to have tenant at his own expense remove hanger within Sixty (60) days of lease termination. If hanger is not removed within Sixty (60) days of lease termination, the CITY has the right to retain any and all improvements to the lease premises. In the event that the CITY defaults on this lease agreement, THE LESSOR may give the CITY a written notice of intention to terminate the lease at the end of Sixty (60) calendar days and be refunded the unused portion of the annual payment from date of default.

11. It is expressly covenanted and the TENANT agrees that he may not assign or sub-let this lease without the written consent of the CITY.

12. TENANT hereby releases CITY from any and all liability for damages to both persons and property and TENANT hereby agrees to protect and save the CITY harmless from any liability by reason of personal injury to any person or persons or property damages to the property of any person or persons on or about the said demised premises during the life of this lease, or extension thereof, due to negligence of TENANT, his agents or employees, in connection with the occupation or operation of and upon said premises. The CITY may be held liable for damages to hanger, improvements, contents and personal injuries to any person(s) or their property on or about lease premises caused by neglect or accident of CITY employees or officials. The TENANT shall at his expense, obtain and maintain during the term of this lease and any extension thereof, an appropriate policy of public liability insurance with minimum limits of \$250,000 per person and \$500,000 total personal injury and \$250,000 and

\$500,000 property damage to insure against the liability referred to in this paragraph. Copy of said insurance policy must name the CITY as additional insured.

13. The TENANT agrees that upon the termination of this agreement for any reason that if the hanger or other property of TENANT have not been removed within sixty (60) days from said termination, then and in that event, the hanger and equipment and other property of the TENANT shall be forfeited to the CITY and become the property of the CITY.

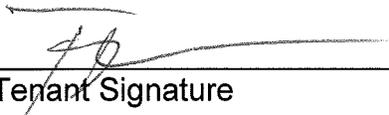
14. If the premises are destroyed or rendered uninhabitable, this lease shall terminate as of the date that the remaining debris is removed and the lot is available for use by another party. All paid rental fees may be refunded on a prorated basis.

15. The TENANT may sale, rent, or assign the aircraft hangar. Any assignment must be approved by the city.

16. In the event of disability wherein the TENANT is deceased or disabled, the TENANT's spouse becomes the heir and TENANT of the aircraft hangar. If the TENANT's spouse also becomes deceased or disabled, the decedents of the TENANT become the heir(s) and TENANT(s) of the aircraft hangar.

17. This lease agreement shall be binding upon heirs, executors, successors, and assignees of the TENANT.

In witness whereof the parties to this agreement have hereunto set their hands as of the day and year first above written. Executed in duplicate.

  
\_\_\_\_\_  
Tenant Signature

5/21/14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Roosevelt City Signature

5-22-14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
ATTEST:

5-22-14  
\_\_\_\_\_  
Date

