

HURRICANE CITY

UTAH

Mayor
Nanette Billings

City Manager
Kaden DeMille

Airport Board

Art Granger, Chair
Dave Houston
Norm Anderson
Laron Hall
Kate Wadsworth
Cathy Clark
Scott Freeman
Jim Lemmon
Mike Vercimak
Doug Heideman

HURRICANE CITY MUNICIPAL AIRPORT ADVISORY BOARD MEETING AGENDA

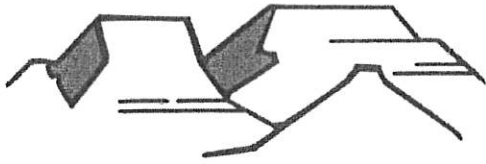
Tuesday, May 16, 2023
9:00 A.M.

City Hall Council Chambers - 147 N 870 W

Notice is hereby given that the General Dick Stout Field Airport Advisory Board will hold a Regular Meeting in the City Hall Council Chambers located at 147 N 870 W, Hurricane, UT. A silent roll call will be taken, along with the Pledge of Allegiance and prayer by invitation.

AGENDA

1. Call to Order, Pledge of Allegiance, Prayer
2. Review Minutes from March 21, 2023
3. Discussion and possible recommendation to the city council to make changes to the airport noise abatement policies – Nanette Billings
4. Discussion and possible recommendation to the City Council for a new hangar lease for lot 751 E for Stephen Lemmon - Dayton Hall
5. Discussion on proposed light sport fly-in for this October-Motive Aero – Dave Houston
6. Discussion and possible recommendations regarding airport leases – Dave Houston
7. Discussion on airport budget – Mike Vercimak
8. New Business
9. Adjourn



HURRICANE CITY
UTAH

PRIVATE HANGAR LEASE AGREEMENT

BETWEEN

HURRICANE CITY, UTAH

AND

Final Design Group LLC
STATION Linn

Effective Date: _____

PRIVATE HANGAR LEASE AGREEMENT

THIS PRIVATE HANGAR LEASE AGREEMENT (which, as amended from time to time, is defined herein as the ("Agreement")) is entered into as of the 21 day of MARCH, 2023 by and between Hurricane City, Utah, a Utah municipal corporation, (the "City") and Final Design Group, a LLC, (the "Tenant").

RECITALS

WHEREAS, City owns and operates an airport located at 800 W. 2300 S., Hurricane, Utah 84737 (the "Airport"); and

WHEREAS, City and Tenant desire to accommodate, promote, and enhance general aviation at the Airport; and

WHEREAS, Tenant desires to lease certain real property at the Airport for the purpose of constructing or purchasing a private hangar for aircraft as provided in this Agreement;

NOW, THEREFORE, in consideration of the covenants and conditions stated herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Agreement to Lease and Operate Concession

A. Agreement to Lease Premises. City hereby leases to Tenant and Tenant hereby leases from City that certain real property 7500 square feet in size including five feet beyond the hangar pad on three sides excluding the front and located at the property identified as 751E on the Airport property (the "Premises"). Tenant agrees to accept the Premises "as is" and City makes no warranty as to the condition of the Premises or its suitability for any particular purpose.

B. Disclosure of Soil Condition. City discloses to Tenant that the soil at the Airport is collapsible and otherwise unstable. Tenant is responsible to obtain appropriate soil evaluation reports, to adhere to the recommendations in the reports, and take whatever action is necessary to mitigate the soil condition on the Premises. Tenant is responsible to construct the hangar at the engineered drainage elevations so the drainage will flow properly. Tenant will maintain and keep the area around the premises clear of debris and obstructions so as not to cause disruption in the expected normal drainage flow.

C. Construction of Tenant Improvements. Tenant shall construct or purchase and maintain continuous improvements on the leased Premises, which shall include a concrete pad, an aircraft hangar, fixtures, and any utilities as may be necessary for the Tenant's aviation related activities (referred to herein as the "Tenant Improvements"). Such Tenant Improvements must meet the Airport's Building Development Standards and any applicable Federal Aviation Administration requirements in effect as of the date of this Agreement. The Tenant agrees to submit plans/drawings of the proposed Tenant Improvements to City within eight (8) months of the execution date of this Agreement. Tenant shall be responsible to obtain and pay for proper building permits for the Tenant Improvements and comply with all the applicable ordinances of the City when planning and constructing the Tenant Improvements. Tenant agrees to complete construction of the proposed Tenant Improvements within twenty-four (24) months from the date the building permit is issued.

D. Grant of Concession and Purpose of Agreement. Tenant agrees that it shall have the right, privilege, and obligation to use the Premises for the following purposes: The parking, storage, service, repair, light maintenance, operation, and modification or construction (on a noncommercial basis only) of Aircraft, plus incidental activities related to such purposes. An ("Aircraft") shall be any aircraft that Tenant owns or controls, or that is subject to an authorized sublease, when approved in writing in advance by City. Tenant shall provide to City the make, model, and registration number of any Aircraft owned or controlled by Tenant, or that are subject to an authorized sublease, that are based at the Premises.

E. Access. City agrees that if Tenant is not in breach of this Agreement, Tenant and Tenant's employees, officers, directors, subtenants that are approved by City pursuant to this Agreement, contractors, subcontractors, suppliers, agents, invitees, and other representatives ("Tenant's Associates") may ingress and egress across the Airport in the areas designated by City and as permitted by applicable Laws and Regulations, on a non-exclusive basis and to the extent reasonably necessary for Tenant's use, occupancy, and operations at the Premises.

F. Right of Flight and Other Reserved Rights. This Agreement conveys only a leasehold interest in the Premises on the terms and for the purposes provided herein, and it conveys no other rights, titles, or interest of any kind. City reserves rights in the Premises including but not limited to, a right of aircraft movement on Airport property, a right of flight for the passage of aircraft in the air, a right to cause such noise as may at any time be inherent in the operation of aircraft, subject to the rules, regulations, and policies as may be adopted from time to time by the City, and rights in water, minerals, oil, and gas.

G. Enjoyments of Rights. Subject to Tenant's complete performance of the payment and other obligations contained in this Agreement, Tenant shall enjoy the rights, uses, and privileges stated in this Agreement.

2. **Term.** The term of this Agreement shall commence on the date of execution of this Agreement and shall continue thereafter for a term of twenty (20) years until 2043, (the "Initial Term"). If the tenant desires to renew this Agreement, the tenant must notify the City in writing at least 60 days prior to the expiration of the initial term. Upon such notification, this lease shall renew for an additional five (5) year period at the lease rates stated in Section 3 of this Agreement.

3. **Rent**

A. Rent. For Tenant's lease of the Premises, Tenant covenants to pay to City without off-set or deduction the annual ground rent as shown in the table below and commencing on the date of execution of this Agreement. All rent shall be due and payable to the City of Hurricane annually in advance, without notice or demand from City, on the 1st day of August. The first years rent payment will be prorated to the next August 1st payment date.

<u>Years</u>	<u>Rent amount per square foot</u>
2022 – 2027	.15
2028 – 2033	.18
2034 – 2039	.21
2040 – 2045	.24
2046 – 2051	.27
2052 – 2057	.30

C. Dishonored Checks. If any check paid on behalf of Tenant is dishonored or returned by a bank for any reason, Tenant shall pay all charges assessed to City by the bank plus a service charge of fifty dollars (\$50.00) per occurrence (or such other amount as City shall implement from time to time) in addition to other sums due under this Agreement.

D. Past Due Amounts. If tenant fails to pay when due any amount required to be paid by Tenant under this Agreement, such unpaid amount shall bear interest at the rate of eighteen percent (18%) from the due date of such amount to the date of payment in full, with interest. In addition, City may charge a sum of five percent (5%) of such unpaid amount as a service fee, which the parties agree is a reasonable amount to cover the additional costs for billing and collecting arising from Tenants failure to make payment in a timely manner. All amounts due under this Agreement are and shall be deemed to be rent, and shall be paid without abatement, deduction, off-set, prior notice, or demand (unless expressly provided by the terms of this Agreement). City's acceptance of any past due amount either full or partial (or its associated interest or service fee) shall not constitute a waiver of any default under this Agreement.

4. Tenant's Use of Premises and Airport

A. No Interference. Tenant and Tenant's Associates shall not use the Premises or the Airport in any manner that interferes with any operation at the Airport or decreases the Airport's effectiveness, as reasonably determined by the City at its sole discretion. Tenant shall promptly notify City of any use that creates such interference or decrease of effectiveness and remedy the same to City's satisfaction.

B. Comply with all Laws and Regulations. Tenant and Tenant's Associates shall comply at all times, at Tenant's sole cost, with any and all laws and regulations (as amended or otherwise modified from time to time) that are applicable to Tenant's use, occupancy, or operations at the Premises or the Airport (the "Laws and Regulations"), which include but are not limited to, the Airport Rules and Regulations, Policies and Procedures, Minimum Standards for Commercial Aeronautical Activities, Utah Code Annotated, the Code of Revised Ordinances of Hurricane City, the Protective Covenants of the Hurricane City Airport, applicable Federal Aviation Regulations, and all lawful, reasonable, and nondiscriminatory Airport policies and other requirements.

C. No Unauthorized Use. Tenant and Tenant's Associates shall use the Premises and the Airport only for purposes that are expressly authorized by this Agreement and shall not engage in any unauthorized use of the same. Unauthorized uses include, but are not limited to, any use that would damage, interfere with, or alter any improvement; restricting access on any road or other area that Tenant does not lease; placing waste materials on the Airport or disposing of such materials in violation of any Laws and Regulations; any use that would constitute a public or private nuisance or a disturbance or annoyance to other Airport users; the use of automobile parking areas in a manner not authorized by City; fueling activities on the Premises or any other area that City has not authorized; commercial activities, aircraft parking, or storage in areas not leased by Tenant, any use unrelated to the purposes of this Agreement; and any use that would be prohibited by or would impair coverage under either party's insurance policies.

D. Permits and Licenses. Tenant shall obtain and maintain in current status all permits and licenses that are required under any Laws and Regulations in connection with Tenant's use,

occupancy, or operations at the Premises or the Airport. In the event that Tenant receives notice from any governmental authority that Tenant lacks, or is in violation of, any such permit or license, Tenant shall provide City with timely written notice of the same.

E. Taxes and Liens. Tenant shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Tenant's use, occupancy, or operations at the Premises or the Airport and all other obligations for which a lien may be created relating thereto (including, but not limited to, utility charges and work for the Tenant Improvements). Within ten (10) days of notice of such lien, Tenant shall have the lien removed or deposit with the City cash or other security acceptable to City in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the Premises, Tenant shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against City's real property or any interest therein.

F. Damage to Property and Notice of Harm. Tenant, at Tenant's sole cost, shall repair or replace to City's satisfaction any damaged property that belongs to City or City's other Tenants to the extent that such damage arises from or relates to an act or omission of Tenant or Tenant's Associates. Tenant shall promptly notify City of any such property damage. If Tenant discovers any other potential claims or losses that may affect City, Tenant shall promptly notify City of the same.

G. No Alterations or Improvements. Tenant shall not make or cause to be made any alterations or improvements to the Premises or to other areas of the Airport without City's prior written consent.

H. Security. Tenant is responsible to comply, at Tenants sole cost, with all security measures that City, Federal Aviation Administration, the United States Transportation Security Administration or any other governmental authority having jurisdiction may require in connection with the Airport. Tenant shall protect and preserve security at the Airport, including, but not limited to, protecting security information and protecting any access points to the Airport that are maintained by Tenant. Tenant will be vigilant in watching for unusual activity or persons that do not belong at the Airport, and will report such to the Airport Manager or by calling 1-866-GA-SECURE.

I. Removal of Disabled or Derelict Aircraft. Tenant shall promptly remove or cause to be removed from any portion of the Airport not leased by Tenant the Aircraft (or any other aircraft that Tenant owns or controls) if it becomes disabled or derelict. Tenant may store such aircraft within the Tenant Improvements or, with the City's prior written consent, elsewhere at the Airport on terms and conditions established by City. If Tenant fails to comply with this requirement after a written request by City to comply, City may (but is not required to) cause the removal of any such aircraft at Tenant's expense by any means that City determines to be in City's best interests.

J. Maintenance, Repair, Utilities, and Storage. Tenant's use, occupancy, and operations at the Premises shall be without cost or expense to the City. Tenant shall be solely responsible to design and construct the Tenant Improvements and to maintain, repair, reconstruct, and operate the Premises and the Tenant Improvements at Tenant's sole cost and expense, including, but not limited to, all utility services, janitorial services, waste disposal, and ramp repair. Tenant shall at all times maintain the Premises and the Tenant Improvements in a condition that is clean, safe, sanitary, and in good repair. Tenant shall perform all work in accordance with Laws and Regulations and in a good and workmanlike manner. City has sole

discretion to determine the quality of the work. Tenant shall promptly remedy any condition that fails to meet this standard. In addition to other restrictions and requirements contained in this Agreement, Tenant shall not store outside of the Tenant Improvements (aircraft hangar) any inoperable equipment, discarded or unsightly materials, materials likely to create a hazard, trailers (except trailers designed to carry gliders), inoperative motor vehicles, or any other similar items. Tenant is responsible to keep the area five feet out from all four sides of the aircraft hangar clear of weeds and any debris.

K. Operations. Tenant's operations shall comply with the following.

(i) Airport Operations. Tenant shall occupy the Premises and shall operate in a manner that promotes effective Airport operations. Among other things, Tenant shall immediately notify the Airport Manager of any condition observed at the Airport that may create a hazard or disruption; Tenant shall refrain from annoying, disturbing, or impairing Airport customers, tenants, or employees; and Tenant shall promptly respond to City's requests for information and reasonable assistance in connection with planning and other operational matters at the Airport. If City determines for any reason that emergency conditions exist at the Airport, Tenant shall participate in any emergency response as directed by City or other agency in charge and shall operate in a manner that protects safety and the interests of the public.

(ii) Safety. Tenant shall maintain appropriate safety items at the Premises as may be required by the City, Local Fire Authority, or other governmental agency

(iii) Personnel. Tenant shall control the conduct, demeanor, and appearance of its employees and Tenant's Associates so they do not annoy, disturb, or impair Airport customers, tenants, or employees. Tenant shall provide the Airport Manager with the name and contact number of a person who is responsible for and has authority to act on behalf of Tenant.

(iv) Deficiencies. Without limiting or waiving any other remedies available to City, including declaring a breach of this Agreement, City's remedies shall include the following in connection with deficiencies in Tenant's operations.

(a) Propose and Implement Cure. Tenant shall meet with the Airport Manager as he or she may request regarding the quality of Tenant's operations, whether or not in connection with a specific complaint. Tenant shall propose curative measures in response to City's determinations regarding deficiencies in Tenant's operations and shall implement as expeditiously as possible measures that are approved by City.

(b) Remove Employees and Associates. City shall have the right to require Tenant to remove from the Airport any employee or any of Tenant's Associates that City reasonably determines to be in violation of any provision of this Agreement or otherwise detrimental to City's interests at the Airport.

5. City's Rights and Obligations

A. Airport Maintenance. Subject to subparagraph C. of this section, City agrees that as long as the Airport is certified to operate as an airport by the Federal Aviation Administration (or any successor agency), City shall keep the property of the Airport in good repair and free from obstruction in accordance with applicable Federal standards.

B. Access to Premises. City for itself and its employees, officers, directors, agents, and other representatives ("City's Associates") reserves the right to enter the Premises and Tenant Improvements at reasonable times and with reasonable notice for any purpose relating to the Airport including, but not limited to, conducting inspections, determining compliance with this Agreement, conduct Airport work, or for emergency purposes, provided that they shall not unreasonably interfere with Tenant's use of the Premises or Tenant's Improvements.

C. City's Right to Relocate Tenant's Improvements from Premises. It is understood and agreed that as conditions may require, the City has the right to require Tenant to relocate Tenant's Improvements from the Premises to a new location on the Airport property, or to a new location at a new airport if the City elects to relocate the Airport, which would be comparable to Tenant's current leased Premises. Tenant shall bear the costs associated with relocating Tenant's Improvements and property to the new location. City agrees to provide the Tenant with a new Private Hangar Lease Agreement for the new location upon the same terms and conditions as are contained herein for the unexpired term of this Agreement.

D. City Charges. City has the right to impose rates and charges in connection with any matter at the Airport in a manner consistent with Laws and Regulations.

E. City Directives. City is the owner and proprietor of the Airport, and City has the right to issue any lawful, reasonable, and non-discriminatory directive as a landlord and proprietor that City determines to be in City's best interests.

F. Governmental Acts. City is a governmental entity, and City has all rights, powers, immunities, and privileges afforded to it under Laws and Regulations. Tenant agrees that Tenant is subject to any lawful governmental act of City without regard to the provisions of this Agreement.

G. Condemnation. In the event that the demised Premises are condemned by any proper authority, the term of this lease will end on the date that Tenant is required to surrender possession of the Premises. Tenant shall be entitled to that portion of the condemnation proceeds attributable to the fair market value of any Tenant Improvements placed on the Premises by Tenant.

6. Indemnification

A. Indemnity by Tenant. Tenant agrees to indemnify, hold harmless, and defend City and its officers and employees from and against losses of every kind and character (including but not limited to, liabilities, causes of action, losses, claims, costs, fees, attorney fees, expert fees, court of dispute resolution costs, investigation costs, environmental claims, mitigation costs, judgments, settlements, fines, demands, damages, charges, and expenses) that arise out of or relate to: (i) this Agreement; (ii) any use, occupancy, or operations at the Premises or the Airport by Tenant or Tenant's Associates; or (iii) any wrongful, reckless, or negligent act or omission of Tenant or Tenant's Associates. Tenant shall use attorneys, experts, and professionals that are reasonably acceptable to City in carrying out this obligation. This obligation does not require Tenant to indemnify City and its officers and employees against losses (as defined above) that arise solely from the negligent acts or omissions of City and its officers and employees. The obligation stated in this Section 6.A. shall survive the expiration or other termination of this Agreement with respect to matters arising before such expiration or other termination. These duties shall apply whether or not the allegations made are proven to be true.

B. Waiver. Tenant assumes all risk of the use of the Premises and the Airport, and Tenant hereby knowingly, voluntarily, and intentionally waives any and all losses, liabilities, claims, and causes of action, of every kind and character, that may exist now or in the future (including, but not limited to, claims for business interruption and for damage to any aircraft) against City and its officers, employees, and volunteers arising from or related to Tenant's use, occupancy, or operations at the Premises or the Airport.

7. **Hazardous Materials.** Tenant shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the premises or the Airport by Tenant or Tenant's Associates in violation of applicable Environmental Laws. Tenant is responsible for any such violation as provided by Section 6.A. of this Agreement. Tenant agrees that in the event of a release or threat of release of any Hazardous Material by Tenant or Tenant's Associates at the Airport, Tenant shall provide City with prompt notice of the same. Tenant shall respond to any such release or threat of release in accordance with applicable Laws and Regulations.

8. **Assignment and Subleasing**

A. Assignment. Tenant shall not assign any of its rights under this Agreement, including, but not limited to, rights in the Tenant Improvements, (whether such assignment is voluntary or involuntary, by merger, consolidation, dissolution, change in control, or any other manner), shall not encumber any such rights or record this Agreement (or any document or interest related thereto) and shall not delegate any performance under this Agreement, except with prior written consent of City to any of the same. City will not unreasonably withhold written consent to an assignment of this Agreement.

B. Subleasing. With prior written consent of City, Tenant shall have the right to sublease portions of the Premises and Tenant Improvements only for the purposes specified in this Agreement or to store an aircraft. City shall have the right to approve any sublease tenant and sublease agreement. Tenant shall impose on any approved sublease tenant the same terms set forth in this Agreement to provide for the rights and protections afforded to City. Tenant shall reserve the right to amend any sublease to conform to the requirements of this Agreement, and any sublease shall be consistent with and subordinate to this Agreement as it is amended from time to time. Any sublease shall include an agreement that the sublease will attach to and pay rent to City if Tenant ceases to be a party to this Agreement. Tenant shall provide to City a copy of any sublease executed by Tenant. No sublease shall relieve Tenant of any obligations under this Agreement.

9. **Damage and Destruction.** If any portion of the Premises or the Tenant Improvements is damaged in any manner, Tenant shall promptly remove from the Airport all debris and cause repairs to be made to restore the same to an orderly and safe condition. All work shall be performed in accordance with plans and specifications that are approved by City as being consistent or better than the original improvements. Tenant shall follow City's policies and procedures regarding obtaining building permits as necessary.

10. **Default**

A. Tenant's Default. Each of the following events shall constitute a default or breach of this Agreement by the Tenant. (i) Tenant fails to timely pay any installment of rent; (ii) Tenant violates any requirement under this Agreement (including, but not limited to, abandonment of

the Premises) and fails to cure the same within sixty (60) days after written notice thereof by City to Tenant; (iii) Tenant assigns or encumbers any right in this Agreement, delegates any performance hereunder, or subleases any part of the Premises (except as expressly permitted in this Agreement); (iv) Tenant files a petition in bankruptcy, becomes insolvent, or has a petition filed against Tenant in bankruptcy, insolvency, or for reorganization or appointment of a receiver or trustee which is not dismissed within sixty (60) days; (v) Tenant petitions for or enters into an arrangement for the benefit of creditors, or suffers this Agreement to become subject to a writ of execution and such writ is not released within thirty (30) days; or (vi) Tenant defaults in constructing a Tenant Improvement as provided for in this Agreement.

B. Remedies. Upon default by Tenant under this Agreement, City may (at any time) pursue any or all remedies available to City, including, but not limited to, the following: (i) perform in Tenant's stead any obligation that Tenant has failed to perform, and Tenant shall promptly pay to City all costs incurred by City for such performance; (ii) terminate Tenant's rights under this Agreement upon delivering a written notice of termination; and (iii) re-enter and take possession of the Premises by any lawful means (with or without terminating this Agreement). Tenant shall pay all costs and damages arising out of Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, the cost of improving and re-letting the Premises, and any attorney fees and costs. Notwithstanding any termination or re-entry, Tenant shall remain liable to pay the rent required under this Agreement for the remaining term of this Agreement, and Tenant shall pay City on demand for any deficiency in the same. No action by City or City's Associates shall be construed as an election by City to terminate this Agreement or accept any surrender of the Premises unless City provides Tenant with a written notice expressly stating that City has terminated this Agreement or accepted a surrender of the Premises. Following a default by Tenant under this Agreement, City shall exercise commercially reasonable, good faith efforts to mitigate its damages as required by applicable Utah law.

C. Default by City. City shall not be in default under this Agreement unless City fails to perform an obligation required of City under this Agreement within thirty (30) days after written notice by Tenant to City. If the nature of City's obligation is such that more than thirty (30) days are reasonably required for performance or cure, City shall not be in default if City commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event may Tenant terminate this Agreement or withhold the payment of rent or other charges provided for in this Agreement as a result of City's default.

D. Survival. The provisions of this Section 10 and the remedies and rights provided in Section 6 shall survive any expiration or termination of this Agreement.

11. Expiration or Termination

A. Disposition of Tenant Improvements. Upon the termination of this Agreement before or on the expiration date, Tenant shall do one of the following at the option of City: (1) surrender the Tenant Improvements to City if City has determined to accept the Tenant Improvements, with Tenant's rights, title, and interests in the Tenant's Improvements being deemed transferred to the City upon the City accepting the same or (2) remove all Tenant Improvements from the Premises and Airport at Tenant's sole expense in a manner acceptable to City (and the obligations of section 6.A. shall apply to such removal). If Tenant fails to remove any Tenant Improvements under subsection (2), City may do so in any manner acceptable to City pursuant to Section 10.B.

B. Holding Over. If Tenant remains in possession of the Premises after any expiration or termination of this Agreement, such occupancy shall not waive any default under this Agreement and City may terminate such occupancy as a tenancy at will in accordance with Utah Law. During such occupancy, Tenant shall comply with all provisions of this Agreement that are applicable to an at-will-tenancy, and Tenant shall pay the following rent: ground rent at the highest rate then charged at the Airport and rent for the Tenant Improvements at fair market value based on City's survey of rent for similarly situated facilities at the Airport and at other western airports.

C. Survival. The provisions of this Section 11 shall survive any expiration or termination of this Agreement.

12. General Provisions

A. No Exclusive Rights. Nothing in this Agreement shall be construed to grant to Tenant any exclusive right or privilege for the conduct of any activity on the Airport (except to lease the Premises for Tenant's exclusive use as provided herein).

B. Agreement Preserves City's Compliance. This Agreement shall be interpreted to preserve City's rights and powers to comply with City's Federal and other governmental obligations.

C. Subordination to City's Government Commitments. This Agreement is subordinate to the provisions of any agreement between City and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport Improvements. In the event that the Federal Aviation Administration or other governmental authority requires any modification to this Agreement as a condition of City entering any agreement or participating in any program applicable to the Airport, Tenant agrees to consent to any such modification. If a governmental authority determines that any act or omission of Tenant or Tenant's Associates has caused or will cause City to be non-compliant with any of City's government commitments, Tenant shall immediately take such actions that may be necessary to preserve City's compliance with the same.

D. Subordination to Financing and Matters of Record. This Agreement is subordinate to the provisions of any agreements or indentures entered by City (regardless of when entered) in connection with any debt financing applicable to the Airport and is subordinate to any matter of record affecting the real property of the Airport.

E. Force Majeure. No act or event, whether foreseen or unforeseen, shall operate to excuse Tenant from the prompt payment of rent or any other amounts required to be paid under this Agreement. If City (or Tenant in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and such party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.

F. Rights and Remedies. Except as expressly set forth in this Agreement, the rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist.

G. Attorneys Fees. If any action is brought to recover any rent or other amount under this Agreement because of any default under this Agreement, to enforce or interpret any of the provisions of this Agreement, or for the recovery of possession of the Premises, the party prevailing in such action shall be entitled to recovery from the other party(s) reasonable attorneys fees, court costs, the fees of experts and other professionals, and other costs arising from such action (including those arising from any appeal), the amount of which shall be fixed by the court and made a part of any judgment rendered. Tenant shall be responsible for all expenses, including but not limited to, attorney fees incurred by the City in any case or proceeding involving the Tenant or any permitted assignee of Tenant under or related to any bankruptcy or insolvency law. The provisions of this Section 12.G. shall survive any expiration or termination of this Agreement.

H. Governing Law, Venue, and Waiver of Jury Trial. This Agreement and the respective rights and obligations of the parties shall be governed by, interpreted, and enforced in accordance with the Laws of the State of Utah. Venue for any action arising out of or related to this Agreement or actions contemplated hereby may be brought in the United States District Court for Utah or the District Court for the State of Utah sitting in Washington County, Utah so long as one of such courts shall have subject matter jurisdiction over such action or proceeding, and each of the parties hereby irrevocable consents to the jurisdiction of the same and of the appropriate appellate courts there from. Process in any such action may be served on any party anywhere in the world. CITY AND TENANT EACH KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS LEASE OR ANY USE, OCCUPANCY, OR OPERATIONS AT THE PREMISES OR THE AIRPORT. The provisions of this Section 12.H. shall survive any expiration or termination of this Agreement.

I. Amendments and Waivers. No amendment to this Agreement shall be binding on City or Tenant 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.

J. Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates are not affected in any manner materially adverse to any part. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.

K. 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 party has relied on any statement, representation, warranty, now agreement of the other party except for those expressly contained in this Agreement. Any proposal materials or exhibits

submitted by Tenant in response to a solicitation by City, to the extent accepted by City, shall also be incorporated in this Agreement.

L. Confidentiality. Tenant acknowledges that City is subject to legal requirements regarding the public disclosure of records. Tenant shall comply with such laws in connection with making any request that City maintain a record confidentially, and if Tenant complies with the same, Tenant shall have the right to defend any such request for confidentiality at Tenant's expense.

M. 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.

N. Further Assurances. Each party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.

O. Miscellaneous. The headings in this Agreement are provided for convenience only and do not affect this Agreement's construction or interpretation. All references to Sections are to Sections in this Agreement. Each provision to be performed by Tenant shall be construed as both a covenant and a condition. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the drafting party. If Tenant consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several. References in this Agreement to any period of days shall mean calendar days unless specifically stated otherwise.

P. Time is of the Essence. Time is of the essence in this Agreement.

Q. Notices. Any notice, demand, written consent, or other communication required to be in writing under this Agreement shall be given in writing by personal delivery, express mail (postage prepaid), nationally recognized overnight courier with all fees prepaid (such as, by way of example, Federal Express or UPS), or certified mail (return receipt requested and postage prepaid) when addressed to the respective parties as follows.

If to City:

Hurricane City
City Attorney
147 N. 870 W.
Hurricane, UT 84737

If to Tenant:

FINAL DESIGN GROUP LLC
STEPHEN LEAMON
39 South Main
HURRICANE, UTAH 84737

Either City or Tenant may change its notice address by giving written notice (as provided herein) of such change to the other party. Any notice, demand, or written consent or communication shall be deemed to have been given, and shall be effective, upon compliance with this Section 12.Q. and delivery to the notice address then in effect for the party to which the notice is directed; provided, however, that such delivery shall not be defeated or delayed by any refusal to accept delivery or an inability to effect delivery because of an address change that was not properly communicated.

R. Binding Obligation. Tenant warrants and represents that it has the right, power, and legal capacity to enter into and perform its obligations under this Agreement as a legal, valid, and binding obligation of Tenant.

S. City Approval and Consent. Wherever in this Agreement it specifies the City must give approval or consent by the terms of this Agreement, such approval or consent shall not be unreasonably withheld. Unless otherwise specified, approval, consent, or action by the City refers to approval or consent by the Hurricane City Council.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

HURRICANE CITY

TENANT

Nanette Billings, Mayor

By: STEPHEN LEMMON
Its: MANAGING PARTNER

Attest:

Cindy Beteag, City Recorder

X

Stephen Lemmon

Approved as to form:

Dayton Hall, City Attorney

HURRICANE DICK STOUT AIRPORT POLICY & PROCEDURES FOR AIRCRAFT NOISE ABATEMENT

SECTION 1: PURPOSE AND POLICY

1. The control of airport noise is inherently a matter of local concern and there is a demonstrated need for noise abatement at the Airport;
2. It is in the public interest that aircraft noise be reduced to ensure the peace and tranquility of residential neighborhoods without impairing the ability of the Airport to serve the general aviation needs of the community and the national air transportation system;
3. It is the policy of the City of Hurricane to make reasonable effort to reduce noise from aircraft operations at the Airport;
4. City authority is not exclusive to this chapter. This document supplements any legal or equitable remedy available to the city and does not restrict any other remedy available including the City's right to abate nuisances or hazards under City ordinance or Utah Code; and,
5. This document is adopted under the City's power as owner, operator, and proprietor of the Airport to regulate the use of the Airport, consistent with the power of the United States Government to control air traffic and aircraft safety. This Code also exercises the City's police power over ground operations, motor vehicles, and other matters not preempted by State or Federal law.
6. It is understood that conformance to this Policy is voluntary and that unless an aircraft violates the current revision of the Federal Aviation Regulations, no civil penalties can be levied as a result of this Policy.

SECTION 2: DEFINITIONS

As used throughout this document, these terms or phrases shall have the following meanings as used in this title:

1. **WEIGHTED SOUND PRESSURE LEVEL-** The sound pressure level which has been filtered or weighted to quantitatively reduce the effect of low frequency noise. It was designed to approximate the response of the human ear to sound. A-weighted sound pressure level is measured in decibels with a standard sound level meter which contains the "A" weighting network. A-weighted decibels are abbreviated dBA. Relevant standards are defined by the American National Standards Institute Specification for Sound Level Meters.

2. ACCESS OR OPERATING PRIVILEGES- Any privileges, permits, or authority to land or take off from the airport, the use of tie-down facilities, or other airport services.
3. AIRCRAFT TRAINING OPERATIONS- Airwork operations with more than three (2) pattern circuits within 30 minutes including Touch-and-Go's, Stop-and-Go's, Practice Low Approach, Practice Autorotations to hover or touchdown, and Practice Missed Approach Operations, or any of them.
4. AUTOROTATION & RECOVERY- A power-off maneuver in a rotary wing aircraft in which the engine is disengaged from the main rotor disk and the rotor blades are driven solely by the upward flow of air through the rotor. Autorotations may be terminated in a hover by adding power in the flare or to full touch ground.
5. ENGINE RUNUP- The operation of an aircraft engine while stationary for testing (other than preflight), servicing or repairing an engine.
6. HURRICANE CITY NOISE ABATEMENT MEMORANDUM OF UNDERSTANDING- an agreement between two parties (in relation to this document one of the parties is the City of Hurricane) in which further clarification or exceptions are agreed upon and formally documented concerning this noise ordinance.
7. PRACTICE LOW APPROACH AND PRACTICE MISSED APPROACH- An action by an aircraft consisting of an approach to or over the Airport for a landing where the pilot intentionally does not contact the runway.
8. TOUCH-AND-GO- An action by an aircraft consisting of a landing and departure on a runway without stopping or exiting the runway.
9. TRAINING OPERATIONS- flight operations in the vicinity of the airport or utilizing the airport pattern by a specific aircraft that involve repetitive activity resulting in more than 3 (three) pattern circuits within 30 minutes.
10. STOP-AND-GO- An action by an aircraft consisting of a landing followed by a complete stop on the runway and a takeoff from that point.

SECTION 3: REFERENCE DOCUMENTS

The following Federal Aviation Administration (FAA) and other documents are referenced as follows in order to comply with guidelines for a municipal noise abatement policy:

1. Federal Aviation Administration (FAA) Advisory Circular 36-1H FAA entitled "Noise Levels for Certified and Foreign Aircraft," which lists take-off -2- and approach noise levels for all certified aircraft in the U.S. Fleet (except for

experimental and antique aircraft) as measured at 21,325 feet (6,500 meters) from beginning of take-off roll for take-off noise and 6,652 feet (2,000 meters) from the landing threshold for approach noise. The phrase "FAA Advisory Circular 36-1H" shall refer to the Federal Aviation Administration Advisory Circular 36-1H, including all revisions thereof, or the version of that document currently in effect.

2. AOPA's Guide to Airport Noise and Compatible Land Use

SECTION 4: AIRCRAFT NOISE CONTROL AIRCRAFT OPERATION PROCEDURES

1. The following voluntary procedures are defined to abate excessive noise at the airport:
 - A. Runway 19 should be used whenever wind conditions allow for safe landing and takeoff operations. If departing to the north using Runway 1, a left crosswind turn should be executed as soon as safely practical to avoid unnecessary overflight of residential areas.
 - B. All aircraft shall make a practical effort to reach pattern altitude (1000' AGL) before turning downwind. All aircraft departing the airport pattern area are to make a reasonable effort to climb to a minimum altitude of 1000' AGL before doing so utilizing the standard pattern legs as defined in Section 4-3-3 of the Aeronautical Information Manual (AIM).
 - C. All arriving aircraft utilizing the traffic pattern are to maintain a minimum of 1000' AGL until established in the pattern per guidelines found in the AIM.
 - D. Helicopters shall make a practical effort to vary the downwind distance from the runway when performing repetitive pattern work in order to reduce sustained ground noise under a particular flight path. See AIM 4-3-3(b).
 - E. Simulated forced landings and/or autorotations should not initiate until the aircraft reaches the typical pattern altitude of 1000' AGL.
 - F. Unless otherwise approved by the Airport Manager or a Memorandum of Understanding agreement between the City of Hurricane and the applicable entity, repetitive aircraft training operations should be limited to (2) 30 minute sessions within a 24 hour period Monday through Saturday for helicopters and/or aircraft that exceed 80 (eighty) decibel levels per noise measurement levels determined and defined in FAA Circular AC 36-1H. Repetitive pattern work for these aircraft is not to be flown on Sundays. This restriction shall not apply in emergencies, where necessitated by safety considerations, or when required by the Federal Aviation Administration.
 - G. Aircraft are not to be started, run-up, or depart the Airport between sunset and sunrise other than to make an immediate departure from the airport area.

- H. All aircraft arriving between sunset and sunrise to be limited to one (1) full stop approach and landing sequence. **Due to the absence of airport lighting systems at the Hurricane City Airport, it is requested for safety considerations that no landings occur during nighttime hours between the end of evening civil twilight and the beginning of morning civil twilight, as published in the American Air Almanac, converted to local time per the FAA definition found in FAR 1.1.**
- I. Repetitive pattern work, touch and go's, stop and go's, low approaches, or practice autorotations are not to be conducted between sunset and sunrise.

2. EXCEPTIONS

The following categories of aircraft are exempt from airport noise abatement guidelines:

- A. Aircraft operated by or under contact of the United States of America, any State, county, city, subdivision or special district of a state including military, firefighting, search & rescue, disaster relief, and medical evacuation flights;
- B. Aircraft used for emergency purposes during an emergency officially proclaimed by competent authority pursuant to the laws of the United States, the State of Utah, Washington County, or the City of Hurricane;
- C. Civil Air Patrol aircraft when engaged in actual search and rescue missions;
- D. Aircraft which have declared an inflight emergency;
- E. Aircraft operating as air ambulance for medical purposes.
- F. Aircraft engaged in take-offs or landings while conducting tests under the direction of the Airport Director.

SECTION 5: TRAINING, AWARENESS, COMPLAINT MANAGMENT

The Airport Manager, the Airport Noise Coordinator, and the Airport Advisory Board, under the direction of the Hurricane City Mayor & Council, shall be responsible to ensure the following is completed on an on-going basis:

- A. Monitor, address, & report all airport related noise complaints
- B. Training for all Hurricane Airport based pilots, active flight instructors, and active flight students;
- C. Creation & placement of Noise Abatement Procedure signage at the entrance and exit area of the ramp;
- D. Creation and placement of a Noise Abatement Procedure Summary Sheet available at the Fuel Farm, Manager's Office, and Terminal Building;

- E. Along with the Noise Abatement Coordinator, provide immediate Noise Abatement Policy & Procedure training and information to transient pilots as required