

RICHFIELD REGIONAL AIRPORT GROUND LEASE

This Agreement made and entered into as of the 12th day of September, 2023, by and between THE CITY OF RICHFIELD, a municipal corporation of Sevier County, State of Utah, hereinafter referred to as "LESSOR," and Jay Robinson , of 53 East 480 South, State of Utah, (84701) hereinafter referred to as "LESSEE,"

WITNESSETH:

WHEREAS, LESSOR is the owner of the Richfield Regional Airport which operates under certain regulation's of the Federal Aviation Administration, a division of the US Department of Transportation; and

WHEREAS, LESSOR has ground space available with access to the Richfield Airport runway and related properties a portion of which it is willing to lease to the LESSEE; and

WHEREAS, LESSEE desires to lease the same upon the terms and conditions as set forth hereinafter;

NOW, THEREFORE, in consideration of the mutual promises and covenants as well as the lease rental payments to be paid herein, LESSOR agrees to lease to LESSEE the property described hereinafter upon the terms and conditions set forth herein.

1. **Leased Premises.** The LESSOR hereby leases to LESSEE the following described parcel consisting of approximately 3,600 square feet located at the Richfield Regional Airport:

Location identified as lot, plot or space # 21 (the "Leased Premises")

2. **Term.** The "Initial Term" of this Lease Agreement shall be for a period of twenty (20) years beginning from the date of the execution hereof.

Following the initial term, LESSEE shall have the option to extend this Lease Agreement for an additional ten (10) year term. The extension shall be upon the same terms and conditions contained herein, subject, however, to an increase in the lease rentals as set forth hereinafter.

The option to renew or extend the Lease shall be exercised by the LESSEE giving notice of intent to extend the Lease in writing at least thirty (30) days prior to the expiration of the original term hereof.

3. **Surrender of Leased Premises.** Following the expiration of the term or extension term hereof, and upon written notice by LESSOR to LESSEE requesting the vacation of the Leased Premises, LESSEE shall deliver the Leased Premises to the

LESSOR in as good a condition as existed at the time of the execution hereof, reasonable wear and tear accepted in accordance with paragraph 10.

In the event LESSEE remains upon the Leased Premises following the termination hereof, such holdover shall be deemed to be a month-to-month lease subject to all of the terms and conditions contained herein, provided however, that the monthly rent for such holdover period shall be equal to One Hundred Twenty-five percent (125%) of one-twelfth of the annual lease rental payable in the last month of the original term or extension thereof. Payment of rent for each month of such holdover shall be due and payable on the last day of each month during which LESSEE occupied the Leased Premises or upon LESSEE's vacation of the Leased Premises, if vacation occurs prior to the last day of the month.

4. **Rent.** LESSEE agrees to pay as lease rentals during the initial term of this Agreement a cost per square foot as set by the Richfield City Council. The cost per square foot at the time of this initial agreement shall be \$0.18 per square foot. The sum of ONE THOUSAND EIGHTY DOLLARS (\$1,080.00) shall be due and payable each year, with the first payment due upon the execution of this agreement. Subsequent annual payments shall be due on or before the 1 day of January, of each year while this lease is in effect. Rent shall be payable at the Richfield Regional Airport 702 West Air Terminal Way, Richfield, Utah 84701.

In the event LESSEE receives permission to conduct a Specialized Aircraft Service Operations "SASO" (as defined in paragraph 9 hereof) on the Leased Premises described above, the rental cost per year shall be \$0.30 per square foot.

In the event LESSEE enters into a sublease agreement, written or oral, for all or a portion of the Leased Premises, or otherwise subleases the Leased Premises as defined herein, with or without the prior consent of LESSOR, LESSEE shall pay rent equal to \$0.30 per square foot beginning on the day in which the Sub-Lease begins to occupy any portion of the hangar. Payment of this rental amount shall not relieve LESSEE of the obligation to obtain LESSOR's prior written consent to any sublease, nor shall LESSOR's acceptance of this amount waive LESSOR's right to prohibit unauthorized subleases of the Leased Property.

In the event LESSEE elects to exercise the right to extend this Lease Agreement for an additional Ten (10) years, the annual rent shall be increased by the greater of either: (1) ten (10%) percent of the annual rental during the original term; or (2) an amount based on the increase in the consumer price index (from the date of the execution of this agreement to the date of the beginning of the renewal term.

LESSOR reserves the right to increase rent at any time during the original term or extension hereof based on any taxes, assessments, levies or any other charges assessed to LESSOR and attributable to the Leased Premises. Any such increase shall be payable on the first day of the month following the date of notice of such

increase and shall continue thereafter until otherwise notified by LESSOR of any subsequent changes.

5. **Permissible Use.** LESSEE acknowledges that the Leased Premises are part of the Richfield Regional Airport, and as such are subject to federal, state, and local laws and regulations regarding permissible uses and security measures, as the same currently exist or as may be later adopted. As used herein, local laws and regulations shall include all laws and regulations imposed by LESSOR as a local, municipal, governmental entity. The primary use of the Leased Premises shall be for the purpose of storing general aviation aircraft and related equipment and accessories. Other personal property related or incidental to the primary use may be stored on the Leased Premises in addition to a general aviation aircraft, as long as the primary use exists. The Leased Premises shall not be used for a warehouse for general storage purposes or for any other purpose not expressly allowed herein without LESSOR's prior, written consent. LESSEE shall not use the Leased Premises in violation of any federal, state, or local laws and regulations, as the same currently exist or as may be later adopted, and LESSEE agrees to comply with all such laws and regulations, as the same currently exist or as may be later adopted. LESSEE'S building may be constructed within the airport fence according to Exhibit A attached hereto and made a part hereof; showing the plot plan for building on Airport property.

6. **Utilities and Other Services.** LESSOR shall not be obligated under this Lease to provide any services to the Leased Premises except as specifically set out in this Lease. LESSEE specifically acknowledges that there are no water, sewer, gas, telephone, electrical or any other utility services presently provided to or available to the Leased Premises. Furthermore, LESSEE acknowledges that LESSOR does not provide and shall not be obligated to provide any security, ice removal, cleaning, garbage removal, maintenance or any other service whatsoever to the Leased Premises except as specifically set out in this Lease.

LESSEE may, at its sole cost and expense, cause to be installed in, on or about the Leased Premises all facilities necessary to supply thereto water, sewer, gas, electricity or telephone and other services which may be made available to the Leased Premises as may be required in LESSEE'S operations hereunder. LESSEE agrees to pay during the term of this Lease all charges and expenses in connecting therewith and to protect, indemnify, and hold harmless LESSOR and the Leased Premises from any such charges, expenses, liens, damage, or loss resulting from or related to such services.

LESSEE shall not enter into any contract or agreement with any public utility or supplier of utility service with reference to water, sewer, electricity, telephone, gas, lighting or other utility connections, lines or easements without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. The parties understand and agree that LESSEE does not anticipate that the Leased Premises will require any such contracts or easements but that if LESSEE desires to obtain utility

services and easements and agreements are required therefore, LESSOR shall not be required to assume any liability therefore, and any such consents as LESSOR may give shall not be at variance with customary arrangements for providing such utilities. LESSOR shall, without additional cost to LESSEE, grant easements over LESSOR'S property in the vicinity of the Leased Premises that are reasonably required by the supplier of the utility service to gain access to the Leased Premises to supply the required services.

7. **Maintenance and Repairs.** LESSOR shall not be required or obligated to make any changes, modifications, improvements or repairs in, on or about the Leased Premises, or any part thereof, during the term of this Lease except as provided herein.

LESSEE shall, at all times during the term of this Lease, at its sole cost and expense, keep and maintain, the Leased Premises and all improvements thereon and all facilities appurtenant thereto in good order and repair and safe condition and to maintain the Leased Premises in a clean, sanitary, orderly and attractive condition. LESSEE shall ensure that the Leased Premises are kept and maintained in a condition suitable for the permissible uses set forth herein. LESSEE shall make any additions, alterations or repairs in or about the Leased Premises and the improvements thereon which may be required by any public authority having control or jurisdiction over the Leased Premises or the Richfield Regional Airport pursuant to applicable federal, state, or local laws and regulations, as the same currently exist or as may be later adopted, pertaining to the Leased Premises, and LESSEE shall indemnify and hold harmless LESSOR against any actions, claims or damages by reason of LESSEE'S failure to comply with and perform the provisions of this paragraph.

LESSEE shall maintain the exterior of existing buildings or any buildings to be constructed pursuant to this Lease in a good, clean and presentable manner including such painting or coloration of the exterior as may be reasonably required by LESSOR.

LESSEE shall be responsible to spray and control rank, injurious or noxious weeds at any stage of maturity within fifteen (15) feet around the building constructed on the Leased Premises. In the event the LESSEE fails to maintain the Leased Premises, LESSOR will spray the Leased Premises and charge a fee to the LESSOR based on the costs associated therewith.

8. **Indemnification.** LESSOR shall not be liable for any loss, damage or injury of any kind or character to any person or to property incurred while this Lease is in effect, arising from any use of the Leased Premises or caused by any defect in the buildings or any other improvement on the Leased Premises or from any equipment or other facility therein or caused by or arising from any act or omission of LESSEE or any of LESSEE's agents, employees, licensees or invitees, or by any accident on the Leased Premises or any fire or other casualty thereon, or

occasioned by the failure of LESSEE to maintain the Leased Premises in safe condition or to comply with the terms of this lease, or arising from any other cause whatsoever other than the negligence of LESSOR and its employees and contractors. LESSEE, as a material consideration under this Lease, hereby waives on its behalf all claims and demands against LESSOR for any such loss, damage or injury of LESSEE, except to the extent that such result from the gross negligence or willful misconduct of LESSOR, and hereby agrees to indemnify and hold LESSOR entirely free and harmless from any such liability.

9. **Sub-Leases.** LESSEE shall not sublease the Leased Premises or any portion thereof to any third person without the prior written consent of the LESSOR, which consent shall not be unreasonably withheld. The execution of an agreement, whether written or oral, regarding a third party's right to use or occupy the Leased Premises, the presence of significant property in size, quantity, or value owned by someone other than LESSEE, or the significant use of the Leased Premises by someone other than LESSEE and LESSEE's agents, officers, employees, and representatives, shall each independently constitute a sublease of the Leased Property that requires the prior written consent of LESSOR. LESSEE shall provide LESSOR with contact information of the sub-lessee, and LESSOR's written consent of the subleasing of the Leased Property shall be conditioned on LESSEE paying the additional rental fee, as set forth in paragraph 5 above. LESSOR shall not require a percentage or fee for short-term or overnight housing of an aircraft by LESSEE.

In the event of the LESSEE'S attempt to sublease the Leased Premises without the written consent of the LESSOR, this Lease Agreement shall immediately terminate and the LESSOR shall have the right to immediately evict the LESSEE and sub-lessee removing any property attributable to either without further notice or judicial process.

LESSEE shall obtain written permission from LESSOR before conducting any commercial business or Specialized Aircraft Service Operations, (also known as "SASO") from the Leased Premises. Only commercial businesses directly related to aviation shall be approved and conducted on the Leased Premises. LESSEE conducting a SASO or commercial business on the Leased Premises must meet all minimum standards and requirements of federal, state and local laws and regulations; must obtain a local business license and must provide LESSOR with proof of insurance. LESSEE shall pay an additional rental fee, as set forth in paragraph 4 above, each year with the first payment being prorated from the date the business commenced at the Leased Premises through the current calendar year.

10. **Construction of Improvements.** LESSOR shall be given six months to obtain a building permit and one year for the completion of building. LESSEE shall not, without the prior written consent of LESSOR, construct any improvements upon the Leased Premises. If granted permission to construct improvements, such construction shall consist of a single prefabricated metal building for use as a general aviation aircraft hangar and may include an attached office, both built

on a concrete slab foundation in conformity with plans and specifications approved by the LESSOR and consistent with any and all other building codes as well as any other applicable federal, state or local laws and regulations.

The consent and approval by LESSOR of LESSEE'S plans shall not be unreasonably withheld or delayed. LESSOR'S denial of its consent or approval must be made in writing, state with specificity the deficiencies in LESSEE'S plans that are the reasons for the denial and suggest reasonable remedies for those deficiencies.

LESSEE shall, prior to the commencement of construction, procure all necessary and requisite approval of plans and specifications and obtain all necessary and required building permits and licenses and occupancy permits.

Unless otherwise agreed, following the termination of this Lease Agreement, LESSEE shall have the right, but shall not be obligated, to remove the improvements constructed at its expense so long as such removal does not cause damage to the foundation which shall be deemed the property of the LESSOR.

Following the termination of this Agreement and LESSEE'S failure to remove any improvements within sixty (60) days following the termination of this Agreement, such improvements shall be deemed abandoned by the LESSEE and the same shall become the sole property of the LESSOR.

LESSEE shall assume all risk of loss, damage or destruction to the improvements installed or constructed by the LESSEE.

In the event of the total destruction (75% or more destruction) of the LESSEE'S improvements, LESSEE shall be obligated to remove any debris to an appearance and condition reasonably acceptable to the LESSOR within ninety (90) days following such destruction unless additional time is reasonably necessary and a request for additional time has been sought and granted by LESSOR. LESSEE shall not be obligated to rebuild. Instead LESSEE may elect, within sixty (60) days after the date of destruction, to terminate this Lease, and if it does, its obligation to pay additional rental thereafter shall terminate. It shall not, however, be entitled to any refund of rent previously paid. If LESSEE'S improvements are only partially destroyed (less than 75% destruction), LESSEE shall reconstruct the improvements to their condition immediately prior to the destruction. Reconstruction shall be commenced promptly after receipt of all governmental approvals and be completed within six (6) months of the date of commencement.

LESSEE shall not store or house on the Leased Premises any gasoline or other flammable substances other than such substances used in the routine maintenance of, or stored in the fuel tanks of, aircraft and other vehicles and equipment stored on the Leased Premises.

11. **Access to Runway.** LESSOR agrees to provide LESSEE with access (the "Apron") to the taxiway, runways and airport facilities at the Richfield Municipal Airport during the term of this Lease and any extension hereof, provided, however, that such access shall be conditioned upon compliance by the LESSEE to all federal, state and local laws and regulations applicable to the use of the airport facilities and LESSEE'S compliance with all the terms and conditions contained herein, including but not necessarily limited to the payment of rent. LESSEE shall arrange to have the Apron constructed at LESSEE'S expense at the same time that it is constructing its building and parking area.

The parties understand and agree that the apron will be used to provide access to other hangars that will be located on land owned by LESSOR that borders on the apron. As LESSOR grants to others ground leases or other rights to construct hangars that will have access to the airport runway over the apron, LESSOR or the party to whom it grants that right shall reimburse LESSEE for a proportionate share of the construction cost of the apron.

12. **Default.** In the event of LESSEE'S failure to pay rent within five (5) days from a given due date or the failure of LESSEE to comply with any other term or condition contained herein, and its failure to remedy such failures within thirty (30) days following written notice of such default or omission, LESSOR shall have the right to terminate this Agreement without additional notice to the LESSEE and without legal process. LESSEE shall thereafter vacate the Leased Premises in accordance with paragraphs 3 and 10.

Provided, however, that in the event a default by the LESSEE constitutes an endangerment to the life or safety of those utilizing the airport facility or an endangerment to the property of the LESSOR, LESSOR shall be entitled to take immediate steps, without prior notice to LESSEE, to correct such default or omission and any cost incurred to remedy or correct the same shall be chargeable to the LESSEE and payable within thirty (30) days from the date of any notice of or billing for such costs. Interest shall accrue on such costs and expenses at the rate of eighteen (18%) percent per annum from the date of payment by the LESSOR.

In the event of a default as described above, LESSOR shall have the right to re-enter the Leased Premises and take possession thereof including the right to remove any and all property stored upon the Leased Premises and LESSOR shall not be responsible for any loss, damage or destruction of such property removed and any cost of storage shall be the responsibility of the LESSEE. LESSOR shall, thereafter, have the right to re-let the Leased Premises upon terms and conditions then available applying any rent received to the payment of LESSEE'S obligation hereunder with any deficiency following such application to remain the responsibility and obligation of the LESSEE.

In the alternative, LESSOR shall have the right to elect not to terminate this Lease Agreement and may take such legal action to enforce this Agreement and collect the lease rentals due and payable hereunder for the remainder of the term hereof.

In the event a default is alleged, the non-defaulting party shall be entitled to court costs and a reasonable attorney's fees incurred in connection with the allegation whether such default is asserted through legal suit or otherwise.

13. **Environmental.** In the event that LESSEE discovers any condition during the course of excavation and construction that would indicate the possible existence of hazardous substances on the premises, LESSEE shall immediately notify LESSOR. LESSOR shall investigate the matter at its sole cost and expense and inform LESSEE of the results of that investigation. If the substances are hazardous (as defined below), LESSEE shall be entitled to terminate this Lease by giving written notice of its election to do so within sixty (60) days after LESSOR advises it that such substances are hazardous. The term "hazardous substance" shall mean any substance deemed hazardous under any of the following statutes or under any other statute or regulation of any governmental authority: the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC. § 9601 *et seq.*; the Resource Conservation and Recovery Act, 42 USC § 6901 *et seq.*; the Hazardous Material Transportation Act, 49 USC § 1801 *et seq.*; or the Toxic Substances Control Act, 15 USC § 2601 *et seq.* If LESSEE elects not to terminate, LESSOR shall promptly take whatever actions are required by law to remediate, remove or otherwise clean up the premises as required by the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC § 9601 *et seq.* The term of this Lease shall be extended, and the obligation to pay rent shall be suspended, from the date of discovery of the evidence of hazardous substances until remediation is complete.

14. **Quiet Enjoyment.** LESSOR covenants and agrees that LESSEE may peaceably and quietly enjoy the Leased Premises, subject, however, to LESSEE'S fulfillment of the covenants and agreements contained in this Lease.

15. **Eminent Domain.** If the whole or part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then, in that event, the term of this Lease shall cease, and the Lease shall terminate on the date title vests in the applicable governmental authority.

Any award for condemnation shall be paid first to LESSEE to the extent of the fair market value at that time of LESSEE'S leasehold interest and improvements on the Leased Premises, and any remaining amount shall be paid to LESSOR.

16. **Entire Agreement.** This Agreement represents the entire agreement of the parties superseding any and all prior agreements or representations by the parties whether written or oral. Any modification or alteration to this Agreement must be in writing signed by the party against whom the provision is to be enforced.

17. **Severability.** If any provision of this Lease Agreement shall be held to be void or unenforceable, the balance of this Agreement shall, nevertheless, be deemed to be in full force and effect.

18. **Notices.** Notices under this Lease shall be given in writing and deemed delivered when and if mailed by regular U.S. mail addressed to the LESSOR at 702 West Air Terminal Way, Richfield, Utah 84701.

To LESSEE at: ____Jay Robinson_____
 ____53 East 480 South_____
 ____Richfield, Utah 84701_____

19. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties hereto, their successors, assigns, heirs, personal representatives and the like.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

RICHFIELD CITY, "LESSOR"

By _____
Mayor

ATTEST:

City Recorder

(SEAL)

By _____
____Jay Robinson_____, "LESSEE"