

HEBER CITY CORPORATION
75 North Main Street
Heber City, Utah
Airport Advisory Board Meeting
Wednesday, July 16, 2014
AMENDED AGENDA
4:00 p.m.
Regular Meeting

Public notice is hereby given that the monthly meeting of the Heber City Airport Advisory Board will in the OK3-AIR Building at 1980 Airport Road (Hangar E), enter through the man gate on the east side of the OK3-AIR Building. The following items will be discussed:

Agenda:

Approval of Minutes

June 18, 2014, Regular Meeting

- Item 1 Airport Manager Report
- Item 2 Update on Runway and Apron Reconstruction Project
- Item 3 Review Request from OK3-AIR for an extension of the FB0 Lease
- Item 4 Discuss Hangar Lease Rates and Charges Policy

Other Items as Needed

Times are approximate and may vary if needed.

Those interested in the above items are encouraged to attend. Order of items may vary if needed. In compliance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Karen Tozier or the Heber City Planning and Zoning Department (435-654-4830) at least eight hours prior to the meeting.

RE-Posted on July 14, 2014 the Wasatch County Community Development Building, Wasatch County Library, Heber City Hall, the Heber City Website at www.ci.heber.ut.us and on the Utah Public Notice Website at <http://pnm.utah.gov>. Notice provided to the Wasatch Wave on July 14, 2014.
Karen Tozier, Administrative Secretary

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HEBER CITY CORPORATION
75 North Main Street
Heber City, Utah
Airport Advisory Board Meeting
Wednesday, June 18, 2014

4:00 p.m. / Regular Meeting – Joint Meeting with the City Council

Members Present: Heidi Franco Airport Advisory Board
Kari McFee Airport Advisory Board
Mel McQuarrie Airport Advisory Board
Ron Phillips Airport Advisory Board
Erik Rowland Airport Advisory Board

Absent: Jeff Mabbutt Airport Advisory Board
Dave Hansen Airport Advisory Board

City Council Present: Alan W. McDonald Mayor
Jeffery Bradshaw City Council

Others: Mark Anderson City Manager
Terry Loboschefsky Airport Manager
Karen Tozier Airport Advisory Board Secretary

10
11 Others: Alan Campbell, Earl Polenz, Nadim AbuHaidar, Paul Boyer, Paul Schneider, Jeff Findarle, and
12 Dale Stewart.

13
14 Chairman McQuarrie convened the meeting at 4:00 p.m. with a quorum present. He indicated the Board was missing two key board members who had been
15 involved with the Lease Rates and Charges Policy and so he was thinking they should possibly take Item
16 6 off the agenda and schedule a special meeting for this item.

17
18
19 Board Member McFee moved to pull Item 6 off the agenda for today and set up a special meeting to
20 discuss just that item with the City Council and the Airport Board Members. Council Member Franco
21 asked if they could discuss this item briefly; there were some questions that she wanted to ask. Chairman
22 McQuarrie agreed to this. Board Member Phillips seconded the motion. There was discussion on when
23 to schedule this meeting. A Council Work Meeting / joint meeting for the July 17th City Council Meeting
24 at 5:00 p.m. was tentatively scheduled.

25
26 Boardmember McFee made an amendment to what is on the table, that we are going to, Item 6 is going
27 to, on the 17th we are going to have a more extensive meeting about Item 6, but we are going to answer
28 some questions for about 10 minutes tonight on Item 6. Board Member Phillips seconded the motion.

29
VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

30 The motion carried.

31

32 **Approval of Minutes**

33

34 **March 12, 2014, Regular Minutes**

35

36 Board Member Phillips moved to approve the minutes. Board Member McFee seconded the motion.
37 Voting Aye: Board Members Phillips, McFee, and McQuarrie. Voting Nay: none. The motion carried.

38

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

39

40 The motion carried.

41

42 **Item 1 Introduction of New Board Members (Ron Phillips, Heidi Franco)**

43

44 Ron Phillips and Heidi Franco introduced themselves.

45

46 **Item 2 Discuss Airport Board Meeting Dates / Times**

47

48 Because there are new board members on the Board there was discussion on the day of the week and/or
49 the week of the month that meetings are regularly held. The time of the meetings was also discussed.

50

51 **DISCUSSION**

52

53 New Board Member, Ron Phillips, indicated he would have a conflict with the second Wednesday in the
54 afternoon. He could attend the meetings if the time were either changed to later in the day or to the third
55 or fourth Wednesday every month. Council Member Rowland indicated he thought third Wednesday at
56 the same time would be good; this would be the day before City Council Meeting. The rest of the Board
57 agreed with this.

58

59 **MOTION**

60

61 Board Member McFee moved to move our monthly meetings to the third Wednesday at 4:00 p.m. Board
62 Member Phillips seconded the motion.

63

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

64

65 The motion carried.

66

67 Karen Tozier was asked to advertise the new annual meeting schedule with this change.

68

69 **Item 3** **Discuss Changes to the Airport Advisory Board Bylaws and having an Alternate**
70 **Member on the Airport Board**

71

72 Changes the Council had made since the Board had last met were explained. Council Member Franco
73 suggested that an alternate be appointed. The position of alternate was discussed further. It was
74 thought the alternate should attend every meeting they could. The membership requirements should
75 not be any different for an alternate than for the other board members. The question was asked, if a
76 non-voting council member is absent could the alternate sit in their spot if the other members are
77 present? The Board concurred that the alternate should be able to participate and contribute but when
78 taking the place for a non-voting council member; they too would be unable to vote. Council Member
79 Rowland indicated he envisioned the alternate participating, contributing to discussions, just unable to
80 vote if they are not serving as an alternate during that meeting. To the point of them not being present
81 to the meetings, it will defeat that purpose. He suggested not only attendance but also participation
82 from the alternate is desirable; the alternate would be limited to vote only when a spot on the Board is
83 open for them to vote.

84

85 Council Member Franco suggested they could recommend to the City Council that under Article 4a we
86 could say an alternate could be appointed and participate as a non-voting member yet can vote on the
87 Board when there is an absence of a voting member.

88

89 Mayor McDonald indicated looking at the bylaws that it needed to be determined whether the alternate
90 should be a resident of Heber City or Wasatch County at-large.

91

92 **MOTION**

93

94 Board Member McFee moved that in the bylaws for the Advisory Board that we add in there for the
95 alternate opening up an alternate seat, an at-large seat so it can either be a Heber City resident or a
96 Wasatch County resident and that individual will attend every meeting and fill in a voting slot or a non-
97 voting slot. Board Member Phillips seconded the motion.

98

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

99

100 The motion carried.

101

102 Changes to Article 6 regarding how many members constituted a quorum and how many votes were
103 necessary for a motion to carry were discussed. This article conflicted with the new makeup of the Board.

104

105 Board Member McFee moved that in Article 6, Letter C that we send, that we change it from, it is at four
106 right now, change it down to three and send that recommendation to the City Council to approve; yes,
107 Number 1 under C; Article 6, Letter C, and then Number 1 under Letter C also change it from four to
108 three. Board Member Phillips seconded the motion.

109

110

111

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

112
113 The motion carried.

114
115 **Item 4** **Airport Manager Report**

116
117 Terry Loboschfsky reviewed information from his report. A pre-bid meeting was held June 17th.

118
119 **DISCUSSION**

- 120
121 ➤ What is 2nd tier discretionary funds?
122 ➤ FAA Funding;
123 ➤ The FAA inspection of the AWOS has been completed, a new radio may be needed because this
124 one is deteriorating;
125 ➤ Procedures and flight patterns determined for helicopters to mitigate noise complaints;
126 ➤ Staff to place a noise complaint form on the city's website, can complaints be matched up to
127 flight plans to know which plane it is?
128 ➤ Loboschfsky is getting to one to two calls a week on people wanting hangars
129 ○ What size hangars are these people asking for?
130 ○ What type of planes are they flying?
131 ○ Obtaining information from the calls is helpful to determine marketing decisions;
132 ○ Paul Boyer asked some questions and discussion followed regarding non-city owned
133 hangars and applicable policy.
134 ➤ The EEA will give free rides to local kids this weekend, 45 rides have been arranged.

135
136 **Item 5** **Runway /Apron Project Update**

137
138 **REQUEST**

139
140 The runway/apron project is now being advertised for bid. A pre-bid meeting was held at 11:00 a.m.
141 on Tuesday, June 17th at the Airport. Before the FAA will award the grant, bids have to be received.
142 Bids are due at 11:00 a.m. on Wednesday, June 25th. It is expected that construction will commence in
143 the spring of 2015.

144
145 **DISCUSSION**

146
147 The Airport Advisory Board discussed the following points:

- 148
149 ➤ The closure period of 30 days was discussed at length. Airport users and the FBO expressed
150 concerns.
151 ➤ Nadim AbuHaidar thought the engineers should be pressed for an option. He preferred a seven
152 day closure to a 30 day closure. Anderson indicated this question could be posed. Possibly a two
153 week period instead of a 30 day period was plausible.
154 ➤ Will the FAA allow incentives for early completion?
155 ➤ Will any provisions be made for displacement of businesses or aircraft users?

- 156 ➤ Timing of the project. If reduced to two weeks could it be done in fall? Nadim AbuHaidar
157 thought the first week of October would be the earliest without significant impact.
158

159 Jeff Findarle asked if they could use the shorter runway during this term; would the FAA allow this?
160

161 Paul Schneider asked some questions on the location of the project and whether a seal coat would be
162 used.
163

164 **Item 6** **Discuss Airport Lease Rates and Charges Policy (Reversionary vs. Non-**
165 **Reversionary)**
166

167 As Council Member Franco was new to the Airport Advisory Board the Airport Lease Rates and Charges
168 Policy was briefly discussed. After looking at various subsections of Section 5, Council Member Franco
169 thought there were some statements that needed to be added. She advocated clarity in the document and
170 asked for this to be as clear as possible.
171

172 Paul Boyer asked a question. If an individual owned more than one hangar and the owner made
173 improvements to one of the hangars, could the extension be applied to the other hangar? Chairman
174 McQuarrie indicated he thought that this scenario should be addressed in the document. Nadim
175 AbuHaidar indicated the reason for the document was to make things less ambiguous.
176

177 Mark Anderson asked the Board for feedback on the spreadsheets regarding modifications to the cash
178 flow on the two different lease types. If they had any changes then they should let him know for the next
179 meeting. Chairman McQuarrie indicated that the one comment that he had was they were assuming
180 today's lease rate. There is not an assumption on the non-reversionary; that we could lease that hangar
181 today for more than the rate that it is being written to others. As an example he cited that he was paying
182 approximately \$.35 a square foot, if the going rate is \$.45 a square foot then that number needs to be
183 plugged. This would change the present value. He also indicated he did not see anything for insurance and
184 liability or for maintenance on the City side after 30 years. He thought a rate should be charged that is
185 high enough for non-reversionary. He also thought that when improvements have been made to a hangar
186 there needs to be a way to account for one-year extensions.
187

188 **Item 7** **Review Request from OK3AIR-AIR for an extension of the FBO Lease:**
189

190 Nadim AbuHaidair of OK3AIR, which is the Fixed Based Operator (FBO) at the Airport, presented his
191 request. He explained history on past improvements the FBO has made and referenced the most recent
192 changes to the FBO lease; that in 2012 a seven-year term extension had been granted for the FBO lease
193 and that the FBO had agreed to an increase in fuel flowage fees to the City from \$.03 to \$.05 per gallon.
194 He also indicated that the present leasehold does not adequately represent the operating area of the FBO.
195 Areas that are currently being used by the FBO that are not reflected in the leasehold are the approach to
196 the customer reception area immediately in front of Hangar E, the ramp area in front of Hangar A
197 maintenance operation, and several of the adjacent tie downs on the ramp. He has had the lease
198 resurveyed to include area that is not reflected in the lease. He indicated they would like to clean up the
199 lease, marry the various leasehold components in terms of expiration dates, and clean up the ramp. The
200 present leasehold is shown at 8.11 acres and the proposed expansion would revise that figure to 10.72
201 acres. A number of questions were asked which AbuHaidair answered.
202

203 In reference to the 2.61 acres not currently in the FBO's leasehold, Board Member Phillips asked if not
204 using his services will individuals not be allowed to go into this area any longer once this area is in his
205 leasehold? AbuHaidair answered they can not disallow usage of the ramp space, they are obligated to have
206 it open; he cannot discriminate. The FBO is already operating in this area, the reason it is not in the lease
207 is it was written up years ago.

208
209 Board Member Phillips asked whether the per square feet fee will increase when the FBO takes over this
210 lease? It was indicated that this will be open to negotiation.

211
212 Discussion on how to proceed with respect to the current status of the Lease Rates and Charges Policy.
213 The Lease Rates and Charges Policy Document has not yet been approved by the City Council. It was
214 noted by Chairman McQuarrie that the FBO may be in a different category. AbuHaidair suggested to do
215 what was done a number of years ago which was to have a committee look at the issue in detail and make
216 a recommendation to the Airport Advisory Board.

217
218 Anderson referenced his staff report indicating the Board should evaluate the area at the Airport in respect
219 to the advantages and disadvantages of extending the lease, whether the leasehold area should be
220 expanded or reduced based on current plan uses, whether the City should consider providing public ramp
221 area, determination of what a fair leasehold should be if the lease were extended and what consideration
222 should be given for past investments made by the FBO. He indicated that fair market value should be
223 established and that other FBO lease rates on a per square footage basis should be looked at as well.

224
225 Councilmember Franco asked for the expiration date of the extended lease; which was established as
226 January 8, 2032. AbuHaidair is asking for extension to 2041 consistent with his Hangar E expiration date.
227 Councilmember Franco asked for a copy of the Hangar E lease for comparison. Discussion to put this on
228 a future agenda.

229
230 **MOTION**

231
232 Board Member McFee moved to table this to a future meeting. Board Member Phillips seconded the
233 motion.

234

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

235
236 The motion carried.

237
238 **Item 8 Reports on City Council Actions:**

239
240 The status of the Worldwide Warbirds SASO Agreement was noted.

241
242 Board Member Phillips asked to comment. He explained that this was kind of a minority comment and
243 indicated from what he'd heard today the Board has made a recommendation to the Council to go with
244 non-reversionary leases. He explained that he has a different opinion, he feels that that they as a Board
245 and the City Council represent the public interest and the interest of the City-the interest of the ownership
246 of the Airport and he believes that for the benefit of the City Council members present that reversionary
247 leases are in the best public interest of the Airport both from a financial point-of-view and from an
248 Airport/City control point-of-view for whatever may happen in the future where hangars may need to be
249 moved or removed for whatever reason.

250

251 A suggestion was made to have the Board visit the Airport and look at the apron lease area and to walk
252 the area. Historically there have been meetings held periodically at the field. Nadim AbuHaidar
253 indicated he could host the meeting; the meeting would be held July 16th.
254

255 Board Member McFee moved to dismiss the meeting. Board Member Phillips seconded the motion.
256

VOTE

	AYE:	NAY:	ABSTAINING:
Kari McFee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mel McQuarrie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

257 The motion carried and the meeting adjourned at 6:06 p.m.
258

DRAFT-Unapproved Minutes

Memo

To: Airport Advisory Board
From: Mark K. Anderson
CC: Mayor & Council
Date: July 10, 2014
Re: July 16, 2014 - Agenda Items

First of all the Airport Advisory Board meeting will be held on Wednesday, July 16th at 4:00 p.m. at the Airport in the OK3-AIR conference room. The Board wanted to walk around the FBO leasehold/ramp as they consider the request to amend the leasehold boundaries and extend the lease period.

Airport Manager Report: Enclosed is the Airport Manager's report that has been prepared by Terry Loboschefsky for the month of June. Terry will be available to review the highlights of the report and answer any questions that the Board may have.

Update on Runway and Apron Reconstruction Project: As noted in the Airport Manager Report, the project was bid out on June 25th with Geneva Rock as the apparent low bidder at \$3,200,261. The FAA has prepared a draft grant agreement for Council approval. In communication with Geneva Rock, they believe the 30 day construction period is tight and don't seem to think that the project could be completed sooner even if financial incentives were offered. We discussed bidding the project out with a 15 and 30 day construction period option and the FAA indicated we would have to accept the lowest bid. Therefore, we chose not to bid out a shorter construction period. The FAA has shown some willingness to allow a change order/financial incentive to accelerate the project, but at this time Geneva has not shown much interest. Once the Council approves the grant agreement, the project can be awarded. Based on the above, I do not expect construction to start until next spring.

Review Request from OK3-AIR for an extension of the FBO Lease: This item was continued from the last meeting. The Board asked that the July meeting be held at the Airport so the Board could better visualize the existing leasehold boundaries and the requested changes. I have included the same information/staff report that was provided to the Board at the last meeting in the packet.

Enclosed is a request from OK3-AIR seeking a nine year extension to the existing FBO lease and modification to the boundaries of the leasehold. (See enclosed request and a copy of the current lease agreement which was last amended in May of 2012) As the Board discusses the matter, some of the issues that the Board may want to discuss are as follows:

- *What are the advantages and disadvantages of extending the lease*
- *Are there areas of the leasehold that should or should not be expanded or reduced based on current and planned uses*
- *Based on past requests by pilots, should the City consider providing a public ramp area*
- *What information should the Board obtain to determine what a fair leasehold fee should be if the lease were extended and what consideration should be given for past investments made by the FBO*

On first impression, the current fee paid for the FBO lease (based on the size of the leasehold) appears below market. This is attributable to the conditions that existed at the airport when the initial FBO lease was entered into. Any extension of the lease should work toward making sure the City receives fair market value for the period of the extension. To determine what is fair, the Board should identify airports with similar fuel sales, etc. that could be used as a comparison. Perhaps a percentage of the ramp fees may be a way to have fees increase as business increases as opposed to charging for the square footage of the leasehold. I suspect this issue will take a few meetings to come up with a recommendation to present to the City Council on this matter.

The Board may want to establish a committee to gather this data or task the Airport Manager with the collection of data that would help establish a market rate if the lease were to be extended and/or enlarged.

Barry Hancock – Utah Warbird Adventures, LLC – Request for a SASO Agreement to Provide Sightseeing Flights: Enclosed is an application submitted by Barry Hancock for a Specialized Aviation Service Operator (SASO) permit to provide sightseeing flights under the name of Utah Warbird Adventures, LLC. In review of the Minimum Standards, it appears that this falls under Section 8, Specialized Commercial Aeronautical Operator. (See enclosed Section and insurance requirements)

The Board should review the application, ask any questions they have of Mr. Hancock and determine if the request is consistent with the minimum standards. Lastly, Mr. Hancock executed his SASO Agreement and paid the associated fee for Worldwide Warbirds on July 7th.

Discuss Airport Lease Rates and Charges Policy: At the last meeting, the Board chose not to discuss this issue because two members were absent. A joint meeting to discuss this issue with the City Council has been scheduled for Thursday, July 17th at 5:00 p.m.

Below is the information that was provided in the last packet:

When this issue was brought before the City Council for approval, the Council indicated they wanted a joint meeting with the Airport Board before they made a decision on whether to use reversionary or non-reversionary leases on future leases. As a result, they have requested a joint meeting with the Airport Board to get a better grasp of the details of this issue and will attend the meeting to obtain more information on this issue. Enclosed is a copy of the most recent version of the Lease Rates and Policy document that was prepared by Aviation which includes the recommended non-reversionary lease. There has been a lot of information that

has been presented to the Board and City Council by Paul Boyer/hangar owners group on the merits of non-reversionary leases. I have not included the information in the packet, but if you would like a copy, I will be happy to provide the information that I have. I believe the existing hangar owner primary interests relate to the end of lease provisions for their existing leases which will be discussed at a later time. I have been an advocate for reversionary leases based on the results of the survey conducted by Aviation, Airport Cooperative Research Program (ACRP) Guidebook for Developing and Managing Airport Contracts and past Airport Business Solutions recommendations. The Airport Board has recommended that all future leases be non-reversionary, based on the thought that the airport would best grow with non-reversionary leases, it would keep hangar values up, keep people motivated to stay at the airport and reduce City liability. Nadim AbuHaidar (former Board member) has since indicated that the recommendation lacked adequate detail about the specifics of the lease rates and terms to be meaningful.

Since the Board last met on this issue, to better understand the details that Mr. AbuHaidar has referred to, I have prepared some projected cash flows on the two different lease types to help get an understanding of what kinds of returns each method would provide under existing lease rates. (See enclosed) Assuming the hangars have a useful life of 50 years, it appears that the non-reversionary lease rates would need to be more than twice as high as the current lease rates to yield a similar returns for the City only. Taking payments received by all taxing entities would indicate a need to increase rates by about 33%. It would be well for the Board to review the assumptions that I have made to determine if they seem reasonable. Also, the Board and City Council should discuss what information they would like to see presented on the pros and cons of each type of lease. Because there is so much information that has been presented on the merits of each method, it may be well to get direction on what information the Council wants to review before they are ready to make a decision on the adoption of the Lease Rates and Charges Policy.

My recommendations as City Manager have been based on what I perceive will provide the greatest financial benefit to the City and maintaining more control over airport development. If reversionary lease rates are higher, the financial benefit issues can be addressed. The control issue is likely to be more complicated if the City and hangar owners don't feel like they have the ability to control the length of lease they will ultimately have. Another part of the discussion is what is our ultimate goal/vision for the development of the airport? These decisions will influence the type and number of aircraft that would want to base their aircraft at the Heber City Airport.

Since the last meeting, I have prepared two other NPV cash flows (enclosed) using the rate of .46 cents per square foot for the improved and unimproved areas within the leasehold. Based on the assumptions that have been made, this is the approximate rate that is needed to generate a similar amount of revenue to the City over a 50 year period.

Report on City Council Actions: Regarding airport related issues, the City Council approved a Resolution that provides for an alternate member of the Airport Advisory Board and redefines the definition of a quorum (3) and number of yes votes required (3) to pass a motion.

Heber City Airport – Russ McDonald Field

Airport Manager's Report June 2014

- **Existing Grants/Projects**

Armstrong Consultants (ACI) has approved Geneva Rock's bid for the runway/apron rehabilitation. All three bids were approved by ACI. However, Geneva Rock was the lowest bidder. The FAA is in-process of writing a grant to fund the project as designed and bid. Once this grant is submitted and approved by the Heber City Council, the contract can be formally issued. Logistical details such as start dates and construction schedules (i.e. multiple shifts, spring vs. fall) should be negotiable.

- **Upcoming Projects**

- The pre-bid meeting for the construction phase of 4/22 rehabilitation project was held June 6/17/14 at the Airport SRE building.
- The formal bid opening session was held 6/25/14 in the City Council chambers.
- Utah Airport Operators Association (UAOA) will hold its fall, two day conference September 11-12 in Spanish Fork.

- **Airport Condition**

- Runway lights are operational
- AWOS is operational
- Taxiway lights, other than those previously identified, are operational
- Segmented circle – repainting of structures to be done hopefully as a volunteer project.
- PAPI Lights operational
- Rotating beacon operational
- Windsock & lights operational
- Mowing operations are continual
- The remaining City owned hangar (Hangar Row #12) was sold 7/2/14.

- **Discussion Topics (time permitting)**

- Noise Complaints – A formal noise complaint report form is being generated and shall be placed on the City's website. This will help identify and contact pilots and offending entities (i.e. military, FAA, flight schools). A software program has been investigated to manage and track noise complaints.
- A new airport policy on the parking of gliders and glider trailers at the NE end of field is being established. The Heber City Council has approved a \$20 monthly charge per glider/trailer. Details of fee collections and administration are in-process.

FBO Lease Proposal

Petitioner:

OK3 AIR
1980 Airport Rd.
Heber City, UT 84032

Date:

March 21, 2014

Proposal Objectives:

1. Extension of FBO property lease term to equate end of term for Hangar E lease
2. Grant of expanded FBO leasehold based on contemporary and relevant leasehold survey

Data Justification:

1. OK3 AIR spent \$490,000 in 2005 to build the Hangar E customer reception area and administrative offices in a significant upgrade of the FBO operation. No concurrent increase in lease term for either the FBO or Hangar E lease term was granted at the time. Six years later, a 15 year term extension was granted for hangar E at the cost of a nearly 10 fold increase in the annual lease rate by 2016. In 2012 a seven year term extension was granted for the FBO lease. The FBO agreed to an increase in fuel flowage fees and to start collecting landing fees. Per the proposed "Lease/Rates and Charges Policy" currently before the City council, the formula for equating capital expenditures with lease term enhancements would have translated into a lease term extension of 35 years.
2. Annual payments by the FBO to the city, which include fees and lease payments, have increased by \$46,000 per year from 2010 to 2013.
3. The present leasehold does not adequately represent the operating area of the FBO. For example, the approach to the customer reception area immediately in front of Hangar E (incl., lawn and ramp) is not included in the leasehold. Also not included is the ramp area in front of the hangar A maintenance operation, nor several of the adjacent tie

downs on the ramp. Additionally, the far southwest end of the ramp (prev. approved by the council but not recorded) is outside of the leasehold. This is a regular and necessary part of OK3's operation. OK3 has paid for a new leasehold survey (attached) that better represents the logical extent of the FBO's operation. The present leasehold is shown as 8.11 acres. The proposed expansion would revise the figure to 10.72 acres.

4. OK3 believes that the substantial investment in 2005 justifies the extension of the FBO lease for nine years to end in 2041. That investment and the consideration of a logical footprint for the FBO operations should justify the grant of the revised leasehold.

Heber City Airport/Russ McDonald Field

Lease/Rates and Charges Policy

Final Report

March 6, 2014

Prepared by Jviation Inc.

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1. INTRODUCTION

1.1. Statement of Policy

- 1.1.1.** This Leasing Policy (Policy) for Heber City Municipal – Russ McDonald Field is intended to provide guidance and parameters for leasing Airport property and be a guide for City staff on Airport leasing issues. Leasing issues may include establishing and adjusting rents, fees, and other charges associated with occupancy and use. In addition, this Policy is intended to provide potential and current tenants and businesses an understanding of the policies and processes used for Airport Leases.
- 1.1.2.** Entities wishing to occupy or use Airport land and/or improvements at the Airport shall be given a reasonable opportunity to compete, without unjust discrimination, for the occupancy or use of available land or improvements subject to the stipulations specified within this Policy.
- 1.1.3.** No entity shall occupy or use Airport land and/or improvements at the Airport, or conduct a Commercial Aeronautical Activity, unless the entity has been authorized by the City for such occupancy, use, or activity.

1.2. Definitions

- 1.2.1.** The following words, terms and phrases, when used in this Policy, shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

Aeronautical - anything which involves, makes possible, or is required for the flight of aircraft, or the storage or presence of aircraft on the airport, or which contributes to, or is required for the safety of aircraft in flight.

Aeronautical Activity – any activity that involves, makes possible, or is required for the operation of aircraft or that contributes to or is required for the safety of such operations. Activities within this definition, commonly conducted on airports, include, but are not limited to, the following: general and corporate aviation, air taxi and charter operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and service, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, parachute or ultralight activities, and any other activities that, because of their direct relationship to the operation of aircraft, can appropriately be regarded as aeronautical activities.

Agreement – An arrangement between two or more parties

Aircraft - a device that is used, or intended to be used, for flight in the air and subject to regulation by the Federal Aviation Administration.

Airport - Heber City Municipal - Russ McDonald Field and all of the property, buildings, facilities and improvements within boundaries of the Airport as depicted in Exhibit A in the Airport Layout Plan.

Airport Layout Plan (ALP) - The FAA and City-approved layout of the airport property, indicating current and proposed usage for each identifiable segment, as may be amended from time to time.

Board – The Heber City Airport Advisory Board (HCAAB)

City – Heber City, Utah

Commercial Aeronautical Activity - the conduct of any aspect of a business, concession, operation, or agency in order to provide goods and services to any person for compensation, consideration or hire. An activity is considered a commercial activity regardless of whether the business is non-profit, charitable, or tax-exempt.

Commercial Tenant - a person, fixed base operator, firm, corporation or other entity, meeting the Airport’s “Minimum Standards”, having been approved by the City to conduct commercial aeronautical services or activities at the Airport for compensation or hire.

Exclusive Right – a right reserved exclusively by a particular person or group.

Fair Market Value – The amount in the competitive market a well-informed and willing lessor, who desires but is not required to lease, would accept and which a well-informed lessee, who desires but is not required to lease, would pay for the use of airport property, after due consideration of all the elements reasonably affecting value.

Independent Operator – A person or entity that conducts Aeronautical Activities, retaining total and free control over the means or methods used in conducting activities on the Airport but is based on land either adjacent to and/or located other than on the Airport, and whereby such land is not part of the Airport. *This type of operator is not authorized to provide services at the Airport.*

Lessee - any person or entity with a lease to occupy space at the Airport.

Minimum Standards - the qualifications or criteria, which have been established by the Airport owner as the minimum requirements that shall be met by all businesses offering commercial aeronautical activities and for the right to conduct those activities.

Non-Reversionary Lease - a lease wherein the ownership of improvements made by the tenant are retained by the tenant at the end of the lease period.

Operator - any individual, firm, partnership, corporation (including registered non-profit corporations), company, association, joint-stock association, or governmental entity which is engaged in the sale of products and/or services on the Airport.

Person - any individual, firm, partnership, corporation (including registered non-profit corporations), company, association, joint-stock association, or governmental entity. It includes a trustee, receiver, assignee, employee, agent, or similar representative of any of them.

Reversionary Lease – a lease which contains a provision which states all structures and improvements made by the tenant on the leased property shall pass title and ownership to the lessor at the end of the lease period.

Rules and Regulations – the stipulations specified in this Policy and other airport guiding documents that relate to the occupancy or use of the operations, land and/or improvements at the Airport.

Specialized Aviation Service Operation (SASO) – a single-service provider or special Fixed Based Operator (FBO) performing less than full services. Typically only one service is offered such as aircraft sales, flight training, aircraft maintenance, or avionics services.

Sub lessee - any person with a sublease to occupy space at the Airport.

Tenant – a person or entity occupying Airport leased land or property.

Through-The-Fence Operation (TTF) – through-the-fence operations are those activities permitted by an airport sponsor through an agreement that gives access to the public landing area by independent entities or operators offering an aeronautical activity or to owners of aircraft based on land adjacent to, but not a part of, airport property. The obligation to make an airport available for the use and benefit of the public does not impose any requirement for the Airport Sponsor to permit ground access by aircraft from adjacent property. *TTF operations are not authorized at the Airport.*

1.3. Existing Agreements

- 1.3.1. If there are any inconsistencies between the Heber City Municipal - Russ McDonald Field's Leasing Policy and existing property leases, the existing lease shall prevail. New leases issued or extensions granted to existing leases should be treated uniformly and follow the guidance outlined in this Policy.

1.4. Rights Reserved

- 1.4.1. The Airport Advisory Board reserves the right to revise, adjust, or otherwise modify this Policy to reflect changes in the legal, economic, and operational environment of the Airport's or City's operational requirements.

2. APPLICATION REQUIREMENTS

2.1. Application

- 2.1.1.** Any person or entity desiring to occupy or use land and/or improvements at the Airport through an Agreement with Heber City Corporation shall submit a written application to the Airport Manager.
- 2.1.2.** The Applicant shall submit a completed application to include all information requested on the application form and, if requested by the City, shall submit any additional related information to properly evaluate the application.
- 2.1.3.** A transfer fee shall be submitted with an application on a reassignment of a lease or a majority change of ownership of a hangar. A 1% transfer fee based upon the taxable value of the hangar or \$100.00, whichever is greater, shall be paid to the City.
 - 2.1.3.1.** The sale of a new hangar is not subject to the transfer fee.

2.2. Approval Process

- 2.2.1.** A complete application and all accompanying and requested information shall be submitted to the Airport Manager for review. If the Applicant is changing the use of a hangar or desires to conduct a commercial venture the application will go before the Airport Advisory Board for review. The Airport Advisory Board will determine if the Commercial operator meets the Airport's Minimum Standards. After the Airport Advisory Board approves the Commercial Tenant, the Board will submit the application to the City Council for approval.
 - 2.2.1.1.** The Airport Manager has the authority to approve non-commercial applications which involve the sale and/or transfer of hangar ownership.
 - 2.2.1.2.** Incomplete applications that do not provide adequate information to make a knowledgeable assessment shall be rejected.
 - 2.2.1.3.** Applications that do not comply with this Policy and other City guiding documents shall be rejected.
 - 2.2.1.4.** Applications that are inconsistent with the Master Plan, the Airport Layout Plan, other plans associated with the Airport, and/or are deemed not in the best interest of the Airport shall be rejected.
 - 2.2.1.5.** If two qualified Applicants submit an application for the same land and/or improvement, the Airport Advisory Board shall determine whether to negotiate with both entities or issue an RFP. The competitive RFP process is described in this Policy under Section 2.3 and shall be followed.
- 2.2.2.** Within 60 days of receiving the application, the Airport Manager shall notify the Applicant of the status of the application. If the application was approved, the Airport Manager shall provide the terms and conditions for occupancy or use of the land and/or improvements at the Airport. If the application was denied, the Airport Advisory Board shall provide reasons for the denial.

- 2.2.3. Within 30 days of receiving notification of the application status, the application shall indicate if the terms and conditions provided by the Airport Advisory Board are acceptable to the Applicant.
- 2.2.4. If the Applicant finds the terms and conditions unacceptable, the Applicant shall present terms and conditions acceptable to the Applicant to the Airport Advisory Board.
 - 2.2.4.1. If the Airport Advisory Board and the Applicant are unable to reach an agreement by negotiation, the City shall not be obligated to lease airport land and/or improvements to the Applicant.
- 2.2.5. Once an agreement has been made between the Airport Advisory Board and the Applicant regarding the terms and conditions of the Agreement, the Applicant shall pay an earnest money deposit in the amount of ten percent (10%) of the total annual rents, fees, and other charges proposed to the City and submit a letter of acceptance of the terms and conditions of the Agreement. The letter shall be submitted to the City within 30 days of reaching an agreement.
 - 2.2.5.1. The terms and conditions should address, but not be limited to, the identification of the land and/or improvements to be leased or developed, the proposed investment, the length of the term, and the rents, fees, and other charges that shall be paid.
 - 2.2.5.2. Once the earnest money deposit and written letter of acceptance have been accepted by the City, the same land and/or improvements may not be negotiated with any other party, nor can a Request for Proposal (RFP) be issued.
- 2.2.6. Upon receiving the letter of acceptance from the Applicant, the City shall prepare the leasing documents and send them to the Applicant for review.
- 2.2.7. If the Lease Agreement is not signed and returned to the City within 45 days of being issued, the earnest money shall be returned to the Applicant and the application and written agreement shall be null and void.

2.3. Competitive Proposal Process

- 2.3.1. The Airport Advisory Board may issue a Request for Proposal (RFP) seeking competitive proposals for entities who wish to occupy or use available land or improvements.
- 2.3.2. If an RFP is issued, the Airport Advisory Board shall advertise the opportunity in local and industry publications in accordance with established practices and legal requirements. The advertisement shall:
 - 2.3.2.1. Provide a description of the land and/or improvements that are available for use and the products, services, and/or facilities that are required, permitted, and/or desired.
 - 2.3.2.2. Indicate if the proposals will be evaluated on qualifications.
 - 2.3.2.3. Provide instructions for obtaining the RFP document.
 - 2.3.2.4. Identify the date, time, and place for submitting sealed proposals.

- 2.3.2.5.** State the Airport Advisory Board's right to reject any and all proposals.
- 2.3.3.** The Airport Advisory Board may also, but is not obligated to, mail the RFP directly to parties that have expressed interest, may be interested, or that the Airport Advisory Board may wish to attract.
- 2.3.4.** The RFP documents shall (as appropriate):
 - 2.3.4.1.** Provide a summary of the Airport, the market, and the opportunity (products, services, and/or facilities required and/or desired);
 - 2.3.4.2.** Identify the location of the land and/or improvements;
 - 2.3.4.3.** Define the time frame for occupancy or use of the land and/or improvements;
 - 2.3.4.4.** Outline the submission and selection process, proposer's responsibilities, and schedule for the process;
 - 2.3.4.5.** Provide instructions regarding the content and format of the proposal;
 - 2.3.4.6.** Provide all required forms, statements, and affidavits;
 - 2.3.4.7.** Provide a draft of the Agreement;
 - 2.3.4.8.** Indicate the evaluation and/or selection criteria that will be utilized by the Airport Advisory Board;
 - 2.3.4.9.** Indicate if proposals will be evaluated based upon the qualifications and experience of the proposer and the proposed products, services, and/or facilities;
 - 2.3.4.10.** Indicate that the proposer's financial plan including all proposed rents, fees, or other charges shall be provided to the Airport Advisory Board under separate cover;
 - 2.3.4.11.** Identify the base rent for the land and/or improvements;
 - 2.3.4.12.** Identify the fees and charges for engaging in Aeronautical Activities at the Airport;
 - 2.3.4.13.** Identify the grounds for denial or disqualification and withdrawal;
 - 2.3.4.14.** Indicate the place, date, and time for submission of proposals;
 - 2.3.4.15.** Indicate the place, date, and time the pre-proposal conference will be held;
 - 2.3.4.16.** Require that a proposal bond or guarantee in the amount equal to ten percent (10%) of the total rents, fees, or other charges proposed to be paid to the City in the first year of the proposed Agreement be submitted with the proposal.
 - 2.3.4.17.** Require the prospective Proposer complete all proposal forms, statements, and affidavits.
- 2.3.5.** The RFP process, procedures, and requirements shall be discussed at the pre-proposal conference and potential Proposer shall be given the opportunity to ask questions and express concerns to the Airport Advisory Board.
 - 2.3.5.1.** The RFP document shall be available to potential Proposers at least two weeks prior to the date of the pre-proposal conference.

- 2.4.1.5. The proposed activity and/or improvements do not comply with the most recent Airport Master Plan or Airport Layout Plan in effect at that time will be in effect within the time frame proposed by the Applicant.
- 2.4.1.6. The development or use of the land will result in congestion of aircraft, interfere with activities of an existing Operator on the Airport (as found by the Board) and/or prevent adequate access to the leased premises of an existing lessee.
- 2.4.1.7. The entity has intentionally or unintentionally withheld information in the application, proposal, and/or in supporting documentation.
- 2.4.1.8. The entity did not make full disclosure in the application, proposal, and/or in supporting documentation.
- 2.4.1.9. The entity or an officer, director, agent, representative, shareholder, or employee of the entity has a record of violating the regulations of Heber City, the Airport, or any other airport, the FAA, or any other regulation related to the Airport and/or the entity's proposed activity.
- 2.4.1.10. The entity or an officer, director, agent, representative, shareholder, or employee of the entity has defaulted on any agreement or sublease at the Airport or at any other airport.
- 2.4.1.11. The entity has failed to demonstrate adequate financial responsibility or the ability to undertake the proposed activity.
- 2.4.1.12. The entity cannot provide adequate applicable insurance or performance bond for the amounts required by Heber City for the proposed activity.
- 2.4.1.13. The entity, officer, director or Applicant has been convicted of a felony.
- 2.4.1.14. The entity's proposed activity is or could be detrimental to the Airport.
- 2.4.1.15. The entity desires terms and conditions that are inconsistent with the Airport's policies or Request for Proposal issued by the Airport Advisory Board.
- 2.4.1.16. The entity's proposed activity or use of the land and/or improvements is inconsistent with the Airport's purpose, vision, values, goals, or objectives.

2.5. Demonstrating Immediate Need

- 2.5.1. Entities seeking to occupy or use land and/or improvements at the Airport must demonstrate that the entire land and/or improvements will be utilized immediately.

2.6. Public Disclosure

- 2.6.1. Applicants should be aware that Heber City, as a government entity, is subject to Utah Code, Title 63G, Chapter 2 (Government Record Access and Management Act), which allows the public to examine documents and observe public meetings of a government agency.

3. AGREEMENTS

3.1. General

- 3.1.1.** A Party, prior to occupying or using land and/or improvements, is required to enter into an Agreement with the Airport Advisory Board reciting the terms and conditions under which the Party shall occupy or use the land and/or improvements at the Airport.
- 3.1.2.** This Policy does not include every provision included in the Agreement nor are the provisions included in the Agreement meant to modify this Policy.
- 3.1.3.** This Agreement shall convey one or more of the following activities: (1) use of the Airport in common with others in agreement to do so; (2) occupancy and/or exclusive use of designated land and/or improvements at the Airport; and/or (3) opportunity to provide products, services, and/or facilities at the Airport.

3.2. Use of Leased Premises

3.2.1. Aeronautical Use (Commercial)

- 3.2.1.1.** The Agreement will specify the aviation products, services, and facilities that shall be provided by the Operator (with and without Airport Advisory Board permission). The products, services, and facilities to be provided by the Operator shall meet the requirements defined in the Minimum Standards. Failure to meet the Minimum Standards and obtain a permit from Heber City before providing additional products, services, and/or facilities shall be considered a breach to the Agreement.

3.2.2. Aeronautical Use (Non-Commercial)

- 3.2.2.1.** The Agreement shall state premises leased by non-commercial operators shall not use Airport land and/or improvements for commercial activities. Non-Commercial leaseholders who engage in Commercial Aeronautical Activities shall be considered in breach of the Agreement.

3.2.3. Non-Aeronautical Use

- 3.2.3.1.** Although not generally favored, non-aeronautical use of land and/or improvements that does not interfere with the primary aviation use of such land and/or improvements is permitted if the Airport Advisory Board finds the use to be beneficial to the development of the Airport.
 - 3.2.3.1.1.** If non-aeronautical use of the land and/or improvements is proposed, the Airport Advisory Board must determine that the land and/or improvements will not be needed for aeronautical activities and/or development, during the term of the proposed Agreement.
 - 3.2.3.1.2.** The use of Airport land and/or improvements for non-aeronautical activities shall be subject to the prior written approval of the FAA.
 - 3.2.3.1.3.** A non-aeronautical lease shall not exceed a term of five years.

3.2.4. Restrictions

- 3.2.4.1.** Airport land and/or improvements shall not be occupied or used for any purpose contrary to: (1) the best interest of the Airport; (2) the safe, effective operation of the Airport, to include the health, safety and general welfare of the public, aircraft, and other personal property at the Airport; (3) the financial self-sufficiency of the Airport; (4) future Airport development; and (5) Federal Aviation Administration's Grant Assurances.

3.3. Subleasing

3.3.1. Subleasing Privileges Permitted in the Commercial Lease Agreement

- 3.3.1.1.** An Operator may enter into an Agreement with the Airport Advisory Board allowing subleasing of space for Airport parking (tie-down and/or hangar space) and/or subleasing of office, shop, or other designated areas subject to prior written approval of the Airport Advisory Board.
- 3.3.1.2.** If the Airport Advisory Board permits subleasing in the Agreement with the Operator, an approved sublease form consistent with the Agreement between the Operator and the Airport Advisory Board may be used by the Operator to assist in the consent process.
- 3.3.1.2.1.** The sublease shall be submitted to the Airport Advisory Board for review and approval.
- 3.3.1.2.2.** The Operator shall not be required to pay Heber City any portion of revenue or profit related to subleasing activities.
- 3.3.1.2.3.** The sublease agreement must be submitted to the Airport Advisory Board for review and approval within 10 business days of execution of Sublessee. Sublease business terms shall be submitted with the sublease agreement to the Airport Advisory Board.
- 3.3.1.2.4.** Sublessee may not occupy the premises without Airport Advisory Board approval of sublease agreement.

3.3.2. Subleasing Privileges Not Permitted in the Commercial Lease Agreement

- 3.3.2.1.** If subleasing is not permitted in the Agreement between the Operator and the Airport Advisory Board, the Operator must obtain written approval of the Airport Advisory Board prior to subleasing any land and/or improvements. Any activity inconsistent with the Airport Master Plan, Airport Layout Plan, and other plans associated with the Airport, and/or is considered to not be in the best interest of the Airport will not be approved by the Airport Advisory Board.
- 3.3.2.2.** The sublease agreement shall be submitted to the Airport Advisory Board for review and approval. The sublease may be rejected for any of the reasons identified in Section 2.4 (Grounds for Denial).

- 3.3.2.3.** If an Operator subleases without advance written approval of the Airport Advisory Board, the Operator shall pay Heber City fifty percent (50%) of the sublease revenue in addition to all rents and fees paid to the City for the same subleased land and/or improvements.
 - 3.3.2.3.1.** The Airport Advisory Board may audit the Operator's financial records to determine the amount that shall be paid to the City.
- 3.3.2.4.** The Operator shall reimburse the Airport Advisory Board for reasonable attorney's fees and expenses incurred by the Airport Advisory Board related to subleasing that is not permitted by the Agreement.
- 3.3.2.5.** A sublessee may not occupy the premises without prior written approval by the Airport Advisory Board.

3.3.3. Sublessee Obligations

- 3.3.3.1.** Sublessee shall comply with all regulations defined in this Policy and all other directives issued by Heber City; maintain all required insurances and coverages as defined in the Minimum Standards; and pay all required fees.
- 3.3.3.2.** A sublessee desiring to engage in Commercial Aeronautical Activities at the Airport must obtain a Commercial Activity Permit, as outlined in the Airport's Minimum Standards, prior to any Commercial Activities.

3.3.4. Sublessee Stipulations

- 3.3.4.1.** Unless stated otherwise, all sublease agreements shall be subject to all terms and conditions of the Agreement between the Operator and the Airport Advisory Board.
- 3.3.4.2.** Subleasing land and/or improvements without written approval by the Airport Advisory Board shall be considered a breach in the Agreement between the Operator and the Airport Advisory Board.
- 3.3.4.3.** Any sublease agreement made contrary to this Policy and without written approval by the Airport Advisory Board is considered null and void.
- 3.3.4.4.** Sublease of land and/or an improvement for non-aeronautical activities is subject to prior written approval of the FAA.

3.4. Transfer of Interest

3.4.1. Assignment

- 3.4.1.1.** A Party shall not assign an Agreement, any part or interest of an Agreement, or any rights or obligations the Party has under an Agreement without prior written approval by the Airport Manager.
 - 3.4.1.1.1.** If a Party desires such an assignment, the Party shall make application as identified in Section 2 and request written approval from the Airport Manager.
 - 3.4.1.1.2.** The City may deny such request for any reason identified in Section 2.4 (Grounds for Denial).

3.4.1.1.3. If written approval of the assignment is granted by the City the Party shall reimburse all attorney fees and expenses incurred by the City related to the assignment.

3.4.1.1.4. The Assignee shall comply with all regulations defined in this Policy and all other directives issued by Heber City; maintain all required insurances and coverages as defined in the Minimum Standards; and pay all required fees.

3.4.1.2. Any assignment made without prior written approval by the City shall be considered null and void and a breach to the Agreement.

3.4.2. Change in Majority Ownership

3.4.2.1. The City shall provide prior written approval to any change in the majority ownership of a Party or operating entity.

3.4.2.1.1. If any Party desires to change the majority ownership of the operating entity, an application and transfer fee must be submitted to the City.

3.4.2.1.2. The City may deny such request for any reason identified in Section 2.4 (Grounds for Denial).

3.4.2.1.3. If written approval of the change in majority ownership is granted by the City, the Party shall reimburse all attorney fees and expenses incurred by the City related to the change in majority ownership.

3.4.2.2. Any change in majority ownership made without prior written approval by the City shall be considered null and void and a breach to the Agreement.

3.5. Term

3.5.1. Initial Lease Term

3.5.1.1. The initial term of all Agreements shall be for no less than twenty (20) years unless otherwise recommended by the Airport Advisory Board and approved by the City Council.

3.5.2. Lease Type

3.5.2.1. Leases to be offered for new hangar construction are to be non-reversionary.

3.5.3. City Obligations

3.5.3.1. The City is not obligated to automatically grant a term of any duration once the initial term has expired.

3.5.4. Lease Extension

3.5.4.1. The term of the Agreements may be extended twice for five (5) years if the land is not needed for airport development and if the premises are structurally sound and capable of safe and legal occupancy for the remaining term.

3.5.4.2. Any renewal options related to a lease shall be subject to the same conditions set forth in the original base term. The City maintains the right to adjust any and all rates and charges in effect at the commencement of each lease extension.

3.5.5. Investment Term Adjustment

3.5.5.1. Heber City encourages tenant construction as a component of facility development. When a tenant makes approved capital improvements to the facility which increases structural integrity or the facility’s market value, the tenant’s investment in those improvements will be considered toward an increased lease term.

3.5.5.1.1. The Investment Term Adjustment is available only to Airport Tenants who have reversionary leases.

3.5.5.1.2. The term adjustment is to provide tenants adequate time to depreciate investments in existing hangars and buildings on the Airport.

3.5.5.1.3. The lease terms are proportionately longer for greater investments. The lease term adjustment shall not exceed the useful life of the facility.

3.5.5.1.3.1. No lease shall exceed 40 years at any given time.

3.5.5.2. Extensions may be offered for capital improvements which increase the value of the hangar.

3.5.5.2.1. The minimum lease term adjustment shall be one year. After the first year the lease term shall be adjusted in six month increments. The final calculation shall be rounded down to the nearest six month increment.

3.5.5.2.2. Only improvements completed in a one year span can be added together for a lease term adjustment.

3.5.5.3. Lease Term Adjustment Table

Hangar Size (sq ft)	Capital Improvement amounts for lease term adjustments (Dollars per year)
2000 - 2999	\$10,000
3000 - 3999	\$10,500
4000 - 4999	\$11,250
5000 - 5999	\$12,000
6000 - 7999	\$12,750
8000+	\$13,750

3.5.5.4. The Lease Term Adjustment table will be updated annually based upon CPI.

3.5.5.5. Process

3.5.5.5.1. When intending to improve a facility at the Airport, a Tenant shall submit a written request to the Airport Manager. The request shall

include sufficient detail outlining the purpose of the facility, improvements to be made and the anticipated cost.

- 3.5.5.5.2.** Only after conceptual approval by the Airport Manager and Airport Advisory Board, the improvements can proceed as outlined in the request.
- 3.5.5.5.3.** Upon completion of the improvements, the Tenant will submit a statement of actual costs certified by the Tenant's financial officer or by a certified public accountant.
- 3.5.5.5.4.** The Airport Manager will prepare an agreement which shall amend the lease terms based upon actual construction costs.

3.6. Improvements

- 3.6.1.** All improvements made by a Tenant must comply with all applicable regulatory measures including all those stipulated by the City.
- 3.6.2.** Unless otherwise specified in the Agreement, the ownership of all permanent improvements shall revert to Heber City upon the end of the term of the Agreement.

3.7. Responsibilities

3.7.1. Heber City

- 3.7.1.1.** Unless otherwise stated in the Agreement, Heber City is responsible for maintenance of all public Airport infrastructure and common areas to include runways, taxiways, public apron areas, roadways, navigaids, and associated land areas.

3.7.2. Lessee

- 3.7.2.1.** Unless otherwise stated in the Agreement, the Lessee shall be responsible for all maintenance of land and/or improvements on the leased premises. The responsibilities of the Lessee include all structural components, all exterior and interior maintenance, landscaping, janitorial, trash removal, snow removal, and sweeping.
- 3.7.2.2.** The Lessee shall be responsible for all utilities, separately metered, shall maintain all insurance coverages as defined in the Minimum Standards, and shall remain current on all taxes and/or assessments charged by any applicable government entity or agency including personal property, income and other business tax.
- 3.7.2.3.** The failure of a Lessee to maintain the land and/or improvements and/or pay all utilities, insurance, and taxes shall be considered a breach in the Agreement.

3.8. Condemnation

- 3.8.1. The Airport Advisory Board shall engage an appraiser, in the event of a full condemnation action, to determine the fair market value of the leasehold interest held by the Lessee.
- 3.8.2. The Agreement shall terminate on the date of the physical taking (as if the date of the taking were the date originally fixed in the Agreement for the expiration term). Upon termination of the Agreement, the Airport Advisory Board shall pay the Lessee the appraised fair market value minus any fees due to the City.
- 3.8.3. In the event of a partial condemnation, the Agreement shall not terminate. The rents due to the City during the unexpired portion of the Agreement shall be reduced proportionally based upon the square footage of the leased premises.
- 3.8.4. In the event of a full or partial condemnation by an Agency other than Heber City, the City and the Lessee shall each be entitled to receive or retain separate awards or a portion of lump sum awards as may be allocated to each party based upon the respective interest held by each party in any condemnation proceeding.
- 3.8.5. Condemnation shall follow all applicable regulatory measures (including those imposed by the FAA) for condemnation proceedings and any appraisal report shall meet the requirements of such regulatory measures. If there is any inconsistency between this Policy and such regulatory measures, the regulatory measures shall prevail.

3.9. Relocation

- 3.9.1. In the event relocation is found to be necessary (e.g. to correct Part 77 variations, ensure use consistent with the Airport Layout Plan, to facilitate future development of the Airport), the City shall provide the Lessee with land and/or improvements that are comparable to the land and/or improvements currently being occupied and/or used by the Lessee.
 - 3.9.1.1. Such land and/or improvements shall be leased to the Lessee at the same rent and under the same terms and conditions as stipulated in the existing Agreement.
- 3.9.2. If comparable improvements are not available, the City shall buyout the Lessee's interest in any improvements that have been made by the Lessee. The amount to be paid shall be determined by an appraiser.
- 3.9.3. The City shall pay all reasonable relocation costs and expenses associated with moving the Tenant.
- 3.9.4. Relocation shall follow all applicable federal and state measures for relocation proceedings and any appraisal report shall meet the requirements of such regulatory measures. If there is any inconsistency between this Policy and such regulatory measures, then the regulatory measures shall prevail.

4. RATES AND CHARGES

4.1. General

- 4.1.1.** It is the intent of this section to give guidance on setting rates and charges for Airport Leases which are in line with the current market. In addition, the City is required to maintain a rent and fee structure which makes the Airport as self-sustaining as possible while preserving and improving the Airport.
- 4.1.2.** Without unjustly discriminating, it is the policy of the Airport Advisory Board to pursue terms and conditions that provide an equitable return for the Airport and to encourage private investment. All Agreements adequately compensate the Airport for the use of leased premises to a Tenant.
- 4.1.3.** All Parties at the Airport shall be subject to the same rates, fees, and other charges as applicable to other Tenants utilizing the same or similar land and/or improvements for the same use or purpose.
 - 4.1.3.1.** Parties may not lease land and/or improvements that have the same attributes, uses and/or values; therefore, the Airport Advisory Board may charge different rates to similar users of the Airport as long as the rates are not unjustly discriminatory.
 - 4.1.3.2.** It is recognized that Agreements reached through negotiation or a competitive process may produce rents, fees, or other charges that may be higher than those paid by similar parties and/or users.

4.2. Mechanisms to Set Rates

- 4.2.1.** The Airport Advisory Board will not engage in unjust economic discrimination among tenants, nor will it impose discriminatory terms. The base land and/or improvement lease rate for each leasehold will be determined based on fair market values. Building base lease rates will be determined by market comparison, supply and demand or current appraisal of the facility by a firm chosen by the Airport Advisory Board.
- 4.2.2.** As new ground and building leases are entered into, or leases are amended, the Airport Advisory Board reserves the right to update lease rates to current values.
- 4.2.3. Competitive Proposal Process**
 - 4.2.3.1.** Rents can be adjusted and/or established through a competitive proposal process.

4.3. Variation in Rates

- 4.3.1.** The Airport Advisory Board may set different rates for different tenants based on rational factors that shall include but not be limited to: the value of property to be leased, the amount of use projected of common facilities, the type of use being made and the degree of competition for the facility to be leased.

4.4. Adjustment of Rents

4.4.1. All rents shall be adjusted on an annual basis throughout the term of the Agreement.

4.4.2. Escalation Clauses

4.4.2.1. Rates will be adjusted during the life of a lease. Adjustments may be based on one of three types; annual adjustment linked to the CPI, an adjustment based on re-evaluation of property or some other measure as specified in the agreement or as negotiated.

4.5. Establishment and Adjustment of Fees

4.5.1. Fees for the occupancy and use of land and/or improvements shall be established by Heber City to assist in covering the costs associated with the development, operation, and maintenance of the Airport.

4.5.2. Fees may include, but are not limited to, fuel flowage fees, transient aircraft fees, and/or permit fees.

4.5.3. Fees may be adjusted by the Airport Advisory Board on an annual basis based upon the Airport's fiscal year budget for the Airport.

4.5.4. The Airport Advisory Board reserves the right to use other means and/or establish and/or charge additional rents, fees, or other charges for the use and/or occupancy of the Airport land and/or improvements.

4.6. Payment of Rents, Fees, or Other Charges

4.6.1. Tenants must be current to the City in all payments of rents, fees, and other charges under any and all Agreements in order to occupy or use the land and/or improvements.

4.6.2. Failure to remain current in the payment of all rents, fees, and other charges to the City will be grounds for termination of the Agreement between the Lessee and the City.

4.6.3. The City may enforce the payment of rent, fees, and other charges under the Agreement by any legal means available to the City as provided by Utah law.

4.6.4. All rents, fees, and other charges assessed by the City not paid within 10 days of being due shall incur a ten percent (10%) late fee.

4.7. Bookkeeping and Records

4.7.1. The Lessee shall keep records of amounts due to the City for rents, fees, or other charges related to the occupancy and/or use of the Airport land and/or improvements and/or engaging in activities at the Airport. The City shall be entitled to access such records upon 30 days notice. The City/Airport Advisory Board reserves the right to audit such records.

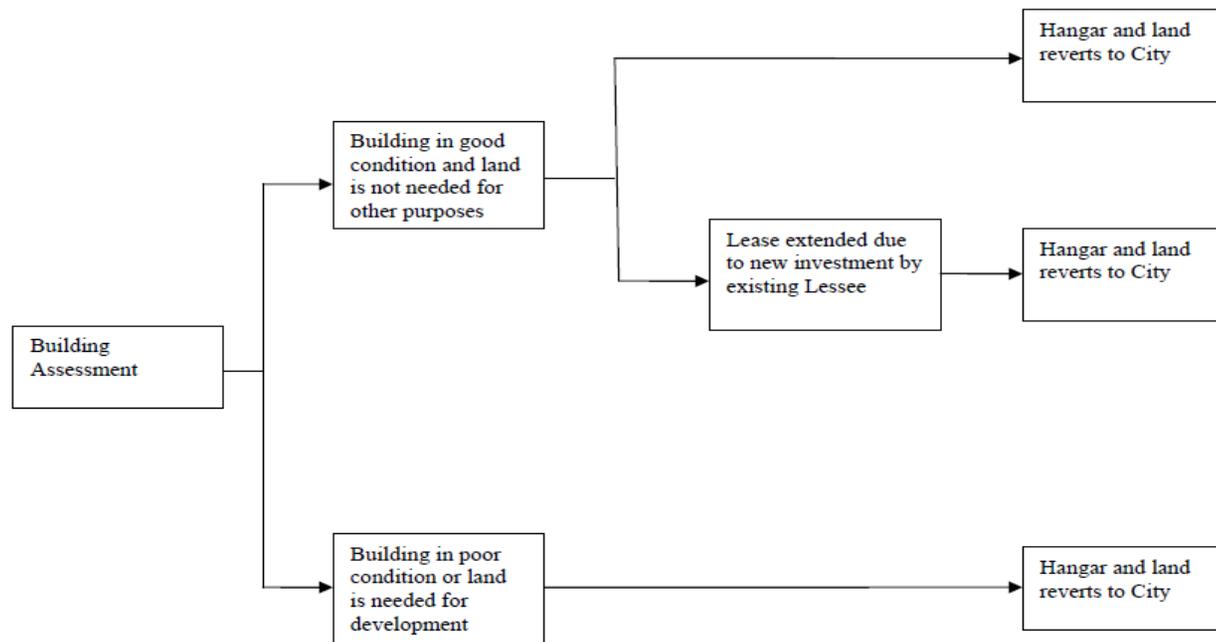
4.8. Exclusive Rights

- 4.8.1.** There shall be no granting of the exclusive right to provide or engage in any aeronautical activity at the Airport; and no lease, sublease, operating permit or other agreement that is or shall be in effect at the Airport that creates such a right.

5. APPENDIX

5.1. Appendix A: Commercial Lease Flow Chart

COMMERCIAL LEASE



5.2. Appendix B: Establishment of Fair Market Value

- 5.2.1.** The Airport Advisory Board shall engage an appraiser who meets the qualifications defined in Section 5.3 of this Policy to conduct appraisals of airport land and/or improvements to determine fair market value.
 - 5.2.1.1.** The appraiser shall use current appraisal methods that are found to be appropriate by the Airport Advisory Board for the appraisal of Airport land and/or improvements.
 - 5.2.1.2.** The appraiser shall use appropriate and justifiable rate of return for airport land and/or improvements.
 - 5.2.1.3.** Airport land and/or improvements shall be appraised assuming the highest and best aviation use of the property. It shall also be assumed that the property will continue to be part of the Airport and will have access to the infrastructure and amenities of the Airport.
 - 5.2.1.4.** The appraisal shall meet the Uniform Standards of Professional Appraiser Practice (USPAP).

5.3. Appendix C: Appraiser Qualifications

- 5.3.1.** Appraisals shall be performed by an appraiser who shall be a member of the Appraisal Institute (MAI) or similarly designated and equally qualified appraiser who shall be certified by a recognized appraisal organization.
- 5.3.2.** The appraiser shall hold a State Certified General Real Estate Appraiser License issued by the State of Utah.
- 5.3.3.** Any appraiser selected to appraise Airport land and/or improvements shall have working knowledge of the aviation industry including airport, air carriers, and general aviation as appropriate. The appraiser shall also demonstrate familiarity with FAA rules, regulations, and policies pertaining to valuing airport properties.
- 5.3.4.** The selected appraiser must have performed a minimum of five (5) aeronautical property appraisals within the last five years and shall provide the Airport Advisory Board a list of locations and types of appraisals performed. Appraisals of non-aeronautical properties do not satisfy this requirement.

5.4. Appendix D: Dispute Resolution

- 5.4.1.** A Lessee may engage a second consultant (appraiser) that meets the qualifications set forth in this Policy if the Lessee disagrees with the Fair Market Rent (value) found by consultant (appraiser) hired by the Airport Advisory Board.
 - 5.4.1.1.** All fees and expenses associated with the second consultant (appraiser) shall be paid for by the Lessee.

- 5.4.2.** If the two appraisals show a variance of less than ten percent (10%) the average of the two appraisals shall be used.
- 5.4.3.** If the variance between the two appraisals is more than ten percent (10%) and an Agreement cannot be reached between the Airport Advisory Board and the Lessee, the first and second appraisers shall mutually agree on a third appraiser (that meets the qualification standards) to make the final determination.
 - 5.4.3.1.** If the first and second appraisers cannot decide on a third appraiser the Airport Advisory Board shall appoint a third appraiser (who meets the qualification standards) to make the final determination.
- 5.4.4.** The third appraiser shall review the results of the first and second appraisals and may request additional information, clarification, or justification from the first and second appraisers.
 - 5.4.4.1.** The third appraiser has the right to gather, analyze, and consider additional data as deemed appropriate to make a final determination. The decision of the third appraiser shall be accepted by the Airport Advisory Board and the Lessee and shall be legally binding upon both parties.
- 5.4.5.** All fees and expenses associated with the work of the third appraiser shall be paid for equally by the Airport Advisory Board and the Lessee.
- 5.4.6.** During any period of disagreement between the Airport Advisory Board and the Lessee regarding rent adjustment, the Lessee shall be responsible for the payment of the adjusted rent recommend by the first appraiser. Once the disagreement is resolved, the difference between rent paid and the final rent determination shall be paid to the Airport Advisory Board or refunded to the Lessee.

Heber City Municipal - Russ McDonald Field
75 North Main Street, Heber City, UT 84032
Phone (435) 654-4854/Fax (435) 657-2543

AIRPORT LEASE/OPERATING PERMIT APPLICATION FORM

Please read the Airport Leasing Policies prior to filling out this application.

Applicant Name: _____

Contact Person: _____

Phone: _____ Email: _____

Mailing Address: _____

Lease Area Location, if known: _____

Type of Lease:

- Ground
- Building
- Operating Permit (for subleasing)
- Commercial
- Non Commercial

If Operating Permit Application, name of Business from whom subleasing: _____

Provide a detailed description (purpose of use) of the intended commercial aeronautical activities:

Describe the means and methods to accomplish the intended activities:

(Attach additional sheets as necessary)

Development of Property:

Beginning Date: _____ Completion Date: _____

Value of Construction: _____

Use Complies With:

- Airport Master Plan
- Building Codes
- Permitted Land Use

Applicant Signature (if sublease, signature of lessee)

Date

Airport Manager Signature

Date

Heber City Corporation
 Reversionary vs. Non-Reversionary Leases
 75' X 75' Hangar
 Includes all County Property Tax Revenue

Assumptions:

Hangar Rate (sq. foot) \$ 0.32
 Unimproved Ground Rate (sq. ft) \$ 0.16
 CPI Assumption/Interest Rate 2%
 Leasehold 95' X95' (5,625 hangar 3,400 sq. feet unimproved)
 Estimated Initial Hangar Value \$ 250,000
 Monthly Lease Fee \$ 2,500
 Wasatch County Prop. Tax Rate 0.012311

Year	Reversionary				Non- Reversionary				
	Ground Lease	Property Taxes	60% Net Lease Fee	Total Revenue	NPV @ 2% Interest	Ground Lease	Property Taxes	Total Revenue	NPV @ 2% Interest
1	\$ 2,344.00	\$ 3,077.75		\$ 5,421.75	\$ 5,421.75	\$ 2,344.00	\$ 3,077.75	\$ 5,421.75	\$ 5,421.75
2	\$ 2,390.88	\$ 2,975.16		\$ 5,366.04	\$ 5,260.82	\$ 2,390.88	\$ 3,077.75	\$ 5,468.63	\$ 5,361.40
3	\$ 2,438.70	\$ 2,872.57		\$ 5,311.26	\$ 5,105.02	\$ 2,438.70	\$ 3,077.75	\$ 5,516.45	\$ 5,302.24
4	\$ 2,487.47	\$ 2,769.98		\$ 5,257.45	\$ 4,954.21	\$ 2,487.47	\$ 3,077.75	\$ 5,565.22	\$ 5,244.23
5	\$ 2,537.22	\$ 2,667.38		\$ 5,204.60	\$ 4,808.25	\$ 2,537.22	\$ 3,077.75	\$ 5,614.97	\$ 5,187.37
6	\$ 2,587.97	\$ 2,564.79		\$ 5,152.76	\$ 4,667.01	\$ 2,587.97	\$ 3,077.75	\$ 5,665.72	\$ 5,131.61
7	\$ 2,639.72	\$ 2,462.20		\$ 5,101.92	\$ 4,530.36	\$ 2,639.72	\$ 3,077.75	\$ 5,717.47	\$ 5,076.95
8	\$ 2,692.52	\$ 2,359.61		\$ 5,052.13	\$ 4,398.18	\$ 2,692.52	\$ 3,077.75	\$ 5,770.27	\$ 5,023.37
9	\$ 2,746.37	\$ 2,257.02		\$ 5,003.39	\$ 4,270.34	\$ 2,746.37	\$ 3,077.75	\$ 5,824.12	\$ 4,970.83
10	\$ 2,801.30	\$ 2,154.43		\$ 4,955.72	\$ 4,146.73	\$ 2,801.30	\$ 3,077.75	\$ 5,879.05	\$ 4,919.32
11	\$ 2,857.32	\$ 2,051.83		\$ 4,909.16	\$ 4,027.22	\$ 2,857.32	\$ 3,077.75	\$ 5,935.07	\$ 4,868.83
12	\$ 2,914.47	\$ 1,949.24		\$ 4,863.71	\$ 3,911.70	\$ 2,914.47	\$ 3,077.75	\$ 5,992.22	\$ 4,819.32
13	\$ 2,972.76	\$ 1,846.65		\$ 4,819.41	\$ 3,800.07	\$ 2,972.76	\$ 3,077.75	\$ 6,050.51	\$ 4,770.78
14	\$ 3,032.21	\$ 1,744.06		\$ 4,776.27	\$ 3,692.21	\$ 3,032.21	\$ 3,077.75	\$ 6,109.96	\$ 4,723.20
15	\$ 3,092.86	\$ 1,641.47		\$ 4,734.32	\$ 3,588.03	\$ 3,092.86	\$ 3,077.75	\$ 6,170.61	\$ 4,676.55
16	\$ 3,154.72	\$ 1,538.88		\$ 4,693.59	\$ 3,487.41	\$ 3,154.72	\$ 3,077.75	\$ 6,232.47	\$ 4,630.81
17	\$ 3,217.81	\$ 1,436.28		\$ 4,654.09	\$ 3,390.25	\$ 3,217.81	\$ 3,077.75	\$ 6,295.56	\$ 4,585.97
18	\$ 3,282.17	\$ 1,333.69		\$ 4,615.86	\$ 3,296.47	\$ 3,282.17	\$ 3,077.75	\$ 6,359.92	\$ 4,542.01
19	\$ 3,347.81	\$ 1,231.10		\$ 4,578.91	\$ 3,205.97	\$ 3,347.81	\$ 3,077.75	\$ 6,425.56	\$ 4,498.92
20	\$ 3,414.77	\$ 1,128.51		\$ 4,543.27	\$ 3,118.64	\$ 3,414.77	\$ 3,077.75	\$ 6,492.52	\$ 4,456.66
21	\$ 3,483.06	\$ 1,025.92		\$ 4,508.98	\$ 3,034.41	\$ 3,483.06	\$ 3,077.75	\$ 6,560.81	\$ 4,415.24
22	\$ 3,552.72	\$ 923.33		\$ 4,476.05	\$ 2,953.19	\$ 3,552.72	\$ 3,077.75	\$ 6,630.47	\$ 4,374.63
23	\$ 3,623.78	\$ 820.73		\$ 4,444.51	\$ 2,874.88	\$ 3,623.78	\$ 3,077.75	\$ 6,701.53	\$ 4,334.81
24	\$ 3,696.25	\$ 718.14		\$ 4,414.39	\$ 2,799.41	\$ 3,696.25	\$ 3,077.75	\$ 6,774.00	\$ 4,295.77
25	\$ 3,770.18	\$ 615.55		\$ 4,385.73	\$ 2,726.70	\$ 3,770.18	\$ 3,077.75	\$ 6,847.93	\$ 4,257.50
26	\$ 3,845.58	\$ 512.96		\$ 4,358.54	\$ 2,656.66	\$ 3,845.58	\$ 3,077.75	\$ 6,923.33	\$ 4,219.98
27	\$ 3,922.49	\$ 410.37		\$ 4,332.86	\$ 2,589.23	\$ 3,922.49	\$ 3,077.75	\$ 7,000.24	\$ 4,183.20
28	\$ 4,000.94	\$ 307.78		\$ 4,308.72	\$ 2,524.31	\$ 4,000.94	\$ 3,077.75	\$ 7,078.69	\$ 4,147.14
29	\$ 4,080.96	\$ 205.18		\$ 4,286.14	\$ 2,461.85	\$ 4,080.96	\$ 3,077.75	\$ 7,158.71	\$ 4,111.78
30	\$ 4,162.58	\$ 102.59		\$ 4,265.17	\$ 2,401.77	\$ 4,162.58	\$ 3,077.75	\$ 7,240.33	\$ 4,077.12
31			\$ 18,000.00	\$ 18,000.00	\$ 9,937.28	\$ 4,245.83	\$ 3,077.75	\$ 7,323.58	\$ 4,043.14
32			\$ 18,360.00	\$ 18,360.00	\$ 9,937.28	\$ 4,330.75	\$ 3,077.75	\$ 7,408.50	\$ 4,009.82
33			\$ 18,727.20	\$ 18,727.20	\$ 9,937.28	\$ 4,417.36	\$ 3,077.75	\$ 7,495.11	\$ 3,977.16
34			\$ 19,101.74	\$ 19,101.74	\$ 9,937.28	\$ 4,505.71	\$ 3,077.75	\$ 7,583.46	\$ 3,945.13
35			\$ 19,483.78	\$ 19,483.78	\$ 9,937.28	\$ 4,595.82	\$ 3,077.75	\$ 7,673.57	\$ 3,913.74
36			\$ 19,873.45	\$ 19,873.45	\$ 9,937.28	\$ 4,687.74	\$ 3,077.75	\$ 7,765.49	\$ 3,882.96
37			\$ 20,270.92	\$ 20,270.92	\$ 9,937.28	\$ 4,781.50	\$ 3,077.75	\$ 7,859.25	\$ 3,852.78
38			\$ 20,676.34	\$ 20,676.34	\$ 9,937.28	\$ 4,877.13	\$ 3,077.75	\$ 7,954.88	\$ 3,823.20
39			\$ 21,089.87	\$ 21,089.87	\$ 9,937.28	\$ 4,974.67	\$ 3,077.75	\$ 8,052.42	\$ 3,794.20
40			\$ 21,511.67	\$ 21,511.67	\$ 9,937.28	\$ 5,074.16	\$ 3,077.75	\$ 8,151.91	\$ 3,765.76
41			\$ 21,941.90	\$ 21,941.90	\$ 9,937.28	\$ 5,175.64	\$ 3,077.75	\$ 8,253.39	\$ 3,737.88
42			\$ 22,380.74	\$ 22,380.74	\$ 9,937.28	\$ 5,279.16	\$ 3,077.75	\$ 8,356.91	\$ 3,710.55
43			\$ 22,828.35	\$ 22,828.35	\$ 9,937.28	\$ 5,384.74	\$ 3,077.75	\$ 8,462.49	\$ 3,683.76
44			\$ 23,284.92	\$ 23,284.92	\$ 9,937.28	\$ 5,492.44	\$ 3,077.75	\$ 8,570.19	\$ 3,657.49
45			\$ 23,750.62	\$ 23,750.62	\$ 9,937.28	\$ 5,602.28	\$ 3,077.75	\$ 8,680.03	\$ 3,631.73
46			\$ 24,225.63	\$ 24,225.63	\$ 9,937.28	\$ 5,714.33	\$ 3,077.75	\$ 8,792.08	\$ 3,606.48
47			\$ 24,710.14	\$ 24,710.14	\$ 9,937.28	\$ 5,828.62	\$ 3,077.75	\$ 8,906.37	\$ 3,581.73
48			\$ 25,204.35	\$ 25,204.35	\$ 9,937.28	\$ 5,945.19	\$ 3,077.75	\$ 9,022.94	\$ 3,557.46
49			\$ 25,708.43	\$ 25,708.43	\$ 9,937.28	\$ 6,064.09	\$ 3,077.75	\$ 9,141.84	\$ 3,533.67
50			\$ 26,222.60	\$ 26,222.60	\$ 9,937.28	\$ 6,185.37	\$ 3,077.75	\$ 9,263.12	\$ 3,510.34
	\$ 95,091.58	\$ 47,705.13	\$ 437,352.66	\$ 580,149.36	\$ 308,848.60	\$ 198,254.12	\$ 153,887.50	\$ 352,141.62	\$ 215,848.28
	Estimated Demolition Cost *				\$ (30,000.00)	\$ (11,368.75)			
	Net Revenues				\$ 550,149.36	\$ 297,479.84	64%		73%

* May be funded with FAA Grants for Airport Redevelopment
 Property tax revenue does not truly decline, \$106,182 is shifted to other taxpayers.
 Net Lease Fees are net of management, maintenance and insurance costs
 Reversionary Leases would not be subject to a potential buyout

Heber City Corporation
 Reversionary vs. Non-Reversionary Leases
 75' X 75' Hangar
 Heber City Revenues - Does not include other County Property Taxes

Assumptions:
 Hangar Rate (sq. foot) \$ 0.32
 Unimproved Ground Rate (sq. ft) \$ 0.16
 CPI Assumption/Interest Rate 2%
 Leasehold 95' X95' (5,625 hangar 3,400 sq. feet unimproved)
 Estimated Initial Hangar Value \$ 250,000
 Monthly Lease Fee \$ 2,500
 Heber City Property Tax Rate 0.001146

Year	Reversionary				Non- Reversionary				
	Ground Lease	Property Taxes	60% Net Lease Fee	Total Revenue	NPV @ 2% Interest	Ground Lease	Property Taxes	Total Revenue	NPV @ 2% Interest
1	\$ 2,344.00	\$ 286.50		\$ 2,630.50	\$ 2,630.50	\$ 2,344.00	\$ 286.50	\$ 2,630.50	\$ 2,630.50
2	\$ 2,390.88	\$ 276.95		\$ 2,667.83	\$ 2,615.52	\$ 2,390.88	\$ 286.50	\$ 2,677.38	\$ 2,624.88
3	\$ 2,438.70	\$ 267.40		\$ 2,706.10	\$ 2,601.02	\$ 2,438.70	\$ 286.50	\$ 2,725.20	\$ 2,619.37
4	\$ 2,487.47	\$ 257.85		\$ 2,745.32	\$ 2,586.98	\$ 2,487.47	\$ 286.50	\$ 2,773.97	\$ 2,613.98
5	\$ 2,537.22	\$ 248.30		\$ 2,785.52	\$ 2,573.39	\$ 2,537.22	\$ 286.50	\$ 2,823.72	\$ 2,608.68
6	\$ 2,587.97	\$ 238.75		\$ 2,826.72	\$ 2,560.24	\$ 2,587.97	\$ 286.50	\$ 2,874.47	\$ 2,603.49
7	\$ 2,639.72	\$ 229.20		\$ 2,868.92	\$ 2,547.52	\$ 2,639.72	\$ 286.50	\$ 2,926.22	\$ 2,598.40
8	\$ 2,692.52	\$ 219.65		\$ 2,912.17	\$ 2,535.22	\$ 2,692.52	\$ 286.50	\$ 2,979.02	\$ 2,593.42
9	\$ 2,746.37	\$ 210.10		\$ 2,956.47	\$ 2,523.32	\$ 2,746.37	\$ 286.50	\$ 3,032.87	\$ 2,588.52
10	\$ 2,801.30	\$ 200.55		\$ 3,001.85	\$ 2,511.81	\$ 2,801.30	\$ 286.50	\$ 3,087.80	\$ 2,583.73
11	\$ 2,857.32	\$ 191.00		\$ 3,048.32	\$ 2,500.69	\$ 2,857.32	\$ 286.50	\$ 3,143.82	\$ 2,579.03
12	\$ 2,914.47	\$ 181.45		\$ 3,095.92	\$ 2,489.93	\$ 2,914.47	\$ 286.50	\$ 3,200.97	\$ 2,574.42
13	\$ 2,972.76	\$ 171.90		\$ 3,144.66	\$ 2,479.54	\$ 2,972.76	\$ 286.50	\$ 3,259.26	\$ 2,569.90
14	\$ 3,032.21	\$ 162.35		\$ 3,194.56	\$ 2,469.50	\$ 3,032.21	\$ 286.50	\$ 3,318.71	\$ 2,565.47
15	\$ 3,092.86	\$ 152.80		\$ 3,245.66	\$ 2,459.80	\$ 3,092.86	\$ 286.50	\$ 3,379.36	\$ 2,561.13
16	\$ 3,154.72	\$ 143.25		\$ 3,297.97	\$ 2,450.44	\$ 3,154.72	\$ 286.50	\$ 3,441.22	\$ 2,556.87
17	\$ 3,217.81	\$ 133.70		\$ 3,351.51	\$ 2,441.39	\$ 3,217.81	\$ 286.50	\$ 3,504.31	\$ 2,552.70
18	\$ 3,282.17	\$ 124.15		\$ 3,406.32	\$ 2,432.66	\$ 3,282.17	\$ 286.50	\$ 3,568.67	\$ 2,548.61
19	\$ 3,347.81	\$ 114.60		\$ 3,462.41	\$ 2,424.24	\$ 3,347.81	\$ 286.50	\$ 3,634.31	\$ 2,544.60
20	\$ 3,414.77	\$ 105.05		\$ 3,519.82	\$ 2,416.11	\$ 3,414.77	\$ 286.50	\$ 3,701.27	\$ 2,540.66
21	\$ 3,483.06	\$ 95.50		\$ 3,578.56	\$ 2,408.27	\$ 3,483.06	\$ 286.50	\$ 3,769.56	\$ 2,536.81
22	\$ 3,552.72	\$ 85.95		\$ 3,638.67	\$ 2,400.71	\$ 3,552.72	\$ 286.50	\$ 3,839.22	\$ 2,533.03
23	\$ 3,623.78	\$ 76.40		\$ 3,700.18	\$ 2,393.42	\$ 3,623.78	\$ 286.50	\$ 3,910.28	\$ 2,529.32
24	\$ 3,696.25	\$ 66.85		\$ 3,763.10	\$ 2,386.39	\$ 3,696.25	\$ 286.50	\$ 3,982.75	\$ 2,525.69
25	\$ 3,770.18	\$ 57.30		\$ 3,827.48	\$ 2,379.62	\$ 3,770.18	\$ 286.50	\$ 4,056.68	\$ 2,522.12
26	\$ 3,845.58	\$ 47.75		\$ 3,893.33	\$ 2,373.11	\$ 3,845.58	\$ 286.50	\$ 4,132.08	\$ 2,518.63
27	\$ 3,922.49	\$ 38.20		\$ 3,960.69	\$ 2,366.83	\$ 3,922.49	\$ 286.50	\$ 4,208.99	\$ 2,515.21
28	\$ 4,000.94	\$ 28.65		\$ 4,029.59	\$ 2,360.78	\$ 4,000.94	\$ 286.50	\$ 4,287.44	\$ 2,511.85
29	\$ 4,080.96	\$ 19.10		\$ 4,100.06	\$ 2,354.97	\$ 4,080.96	\$ 286.50	\$ 4,367.46	\$ 2,508.56
30	\$ 4,162.58	\$ 9.55		\$ 4,172.13	\$ 2,349.38	\$ 4,162.58	\$ 286.50	\$ 4,449.08	\$ 2,505.33
31			\$ 18,000.00	\$ 18,000.00	\$ 9,937.28	\$ 4,245.83	\$ 286.50	\$ 4,532.33	\$ 2,502.17
32			\$ 18,360.00	\$ 18,360.00	\$ 9,937.28	\$ 4,330.75	\$ 286.50	\$ 4,617.25	\$ 2,499.07
33			\$ 18,727.20	\$ 18,727.20	\$ 9,937.28	\$ 4,417.36	\$ 286.50	\$ 4,703.86	\$ 2,496.03
34			\$ 19,101.74	\$ 19,101.74	\$ 9,937.28	\$ 4,505.71	\$ 286.50	\$ 4,792.21	\$ 2,493.05
35			\$ 19,483.78	\$ 19,483.78	\$ 9,937.28	\$ 4,595.82	\$ 286.50	\$ 4,882.32	\$ 2,490.12
36			\$ 19,873.45	\$ 19,873.45	\$ 9,937.28	\$ 4,687.74	\$ 286.50	\$ 4,974.24	\$ 2,487.26
37			\$ 20,270.92	\$ 20,270.92	\$ 9,937.28	\$ 4,781.50	\$ 286.50	\$ 5,068.00	\$ 2,484.45
38			\$ 20,676.34	\$ 20,676.34	\$ 9,937.28	\$ 4,877.13	\$ 286.50	\$ 5,163.63	\$ 2,481.70
39			\$ 21,089.87	\$ 21,089.87	\$ 9,937.28	\$ 4,974.67	\$ 286.50	\$ 5,261.17	\$ 2,479.00
40			\$ 21,511.67	\$ 21,511.67	\$ 9,937.28	\$ 5,074.16	\$ 286.50	\$ 5,360.66	\$ 2,476.35
41			\$ 21,941.90	\$ 21,941.90	\$ 9,937.28	\$ 5,175.64	\$ 286.50	\$ 5,462.14	\$ 2,473.75
42			\$ 22,380.74	\$ 22,380.74	\$ 9,937.28	\$ 5,279.16	\$ 286.50	\$ 5,565.66	\$ 2,471.21
43			\$ 22,828.35	\$ 22,828.35	\$ 9,937.28	\$ 5,384.74	\$ 286.50	\$ 5,671.24	\$ 2,468.71
44			\$ 23,284.92	\$ 23,284.92	\$ 9,937.28	\$ 5,492.44	\$ 286.50	\$ 5,778.94	\$ 2,466.27
45			\$ 23,750.62	\$ 23,750.62	\$ 9,937.28	\$ 5,602.28	\$ 286.50	\$ 5,888.78	\$ 2,463.87
46			\$ 24,225.63	\$ 24,225.63	\$ 9,937.28	\$ 5,714.33	\$ 286.50	\$ 6,000.83	\$ 2,461.52
47			\$ 24,710.14	\$ 24,710.14	\$ 9,937.28	\$ 5,828.62	\$ 286.50	\$ 6,115.12	\$ 2,459.22
48			\$ 25,204.35	\$ 25,204.35	\$ 9,937.28	\$ 5,945.19	\$ 286.50	\$ 6,231.69	\$ 2,456.96
49			\$ 25,708.43	\$ 25,708.43	\$ 9,937.28	\$ 6,064.09	\$ 286.50	\$ 6,350.59	\$ 2,454.74
50			\$ 26,222.60	\$ 26,222.60	\$ 9,937.28	\$ 6,185.37	\$ 286.50	\$ 6,471.87	\$ 2,452.57
	\$ 95,091.58	\$ 4,440.75	\$ 437,352.66	\$ 536,884.98	\$ 272,768.83	\$ 198,254.12	\$ 14,325.00	\$ 212,579.12	\$ 126,382.92
				\$ (30,000.00)	\$ (11,368.75)				
				\$ 506,884.98	\$ 284,137.58			42%	44%

* May be funded with FAA Grants for Airport Redevelopment
 Property tax revenue does not truly decline, \$106,182 is shifted to other taxpayers.
 Net Lease Fees are net of management, maintenance and insurance costs
 Reversionary Leases would not be subject to a potential buyout

ADDENDUM TO AMENDED 1995 AIRPORT AGREEMENT

This ADDENDUM AGREEMENT ("Addendum") to the original 1995 AIRPORT AGREEMENT, dated the 8TH day of January, 1995 ("the 1995 Agreement"), is made this 8th day of May, 2012, between HEBER CITY, herein called City or Heber City, and AH AERO SERVICES, LLC herein called FBO.

RECITALS

- A. Heber City owns and operates the HEBER CITY AIRPORT ("Airport") located in Wasatch County, State of Utah.
- B. The Airport Board acts as a recommending body to the Heber City Council.
- C. The Heber City Council administers aspects of the operation of the Airport, and has authority to enter into and amend agreements affiliated with the Airport and the Fixed-Base Operator ("FBO").
- D. The Airport Board recommends as an addendum to the 1995 Agreement, the following additional provisions, and pursuant to the mutual considerations, herein acknowledged and accepted by the Parties, it is hereby mutually agreed as follows:

1. The FBO agrees to collect landing fees that may be imposed by Heber City on aircraft using the Heber City Airport, for and on behalf of Heber City.

2. As compensation and in consideration for said collection service, Heber City agrees to allow the FBO to retain ten (10%) percent of all fees

collected. Fees are to be remitted monthly.

3. As consideration for the Lease extension outlined in Paragraph D.4., the FBO agrees to increase fuel flowage fees from 2 to 5 cents per gallon. Subsequent increases are subject to the provisions of the 1995 Agreement.

4. The Parties agree to extend the duration of the 1995 Agreement, and the subsequent Assignments of July 8, 1996 and July 31 2008, an additional seven (7) years, until January 8, 2032.

5. It is understood and agreed that the certain conditions and provisions of paragraph (1) of the 1995 Agreement, to wit;

Heber City agrees to enlarge the leasehold held by High Country Aviation to include the proposed jet apron when constructed. However, if there is not substantial completion of the "improvement" by the 30th day of March, 1995, then the term and the terms and provisions of the previous Amended Agreement of April 7, 1988 shall be controlling;

are deemed fulfilled and satisfied. Thus, as provided in the 1995 Agreement, the FBO's Leasehold is hereby enlarged to include the jet apron as described in the drawing attached as Exhibit A.

6. It is further understood and agreed that the certain conditions and provisions of paragraph (19) of the July 8, 1995 Agreement are deemed fulfilled and satisfied.

7. Any and all other provisions of the 1995 Agreement, and subsequent Assignments not modified by this Agreement, remain binding upon all Parties and of full force and effect, and shall continue until said January 8, 2032 termination date. Upon said date, these terms and all other terms of the 1995 Agreement and Assignments shall terminate, unless otherwise provided in the

1995 Agreement or agreed or modified in writing between the Parties.

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

By: *David Phillips*
David Phillips,
Heber City Mayor

APPROVED:
By: *[Signature]*

ATTEST:

Michelle Kellogg 5-8-2012 Date:
City Recorder,



APPROVED AS TO FORM:

Dated this 8th day of May, 2012.

Airport Manager, *Frank Anderson*

AMENDED AGREEMENT

THIS AGREEMENT made and entered into this 8th day of January, 1995, by and between HEBER CITY MUNICIPAL CORPORATION, hereinafter called "Lessor" and HIGH COUNTRY AVIATION, INC., hereinafter called "Lessee."

W I T N E S S E T H:

(1) In consideration of (a) the covenants and agreement hereinafter set forth, and (b) the building of the improvements shown in the attached Exhibits B through I. Heber City hereby leases to High Country Aviation, Inc., for the term of thirty years from the date of this Agreement, that portion of the Heber Valley Airport situated in Wasatch County, State of Utah, and described and high-lighted in the drawing attached as Exhibit A. High Country Aviation agrees to vacate up to one acre of the leasehold known as Exhibit A to accommodate the construction of additional aircraft hangars and apron space. Heber City agrees to enlarge the leasehold held by High Country Aviation to include the proposed jet apron when constructed. However, if there is not substantial completion of the "improvement" by the 30th day of March, 1995, then the term and the terms and provisions of the previous Amended Agreement of April 7, 1988 shall be controlling. The Lessee at the end of the thirty year lease period, if the thirty years comes into effect, shall have a first right of refusal to extend the lease for an additional 20 years. The City reserves the right at the end of thirty years to terminate and modify the airport facilities if they deem it in the public interest.

In addition, the Lessee shall have the right to use the landing area and public airport facilities in common with the remaining flying public, provided, however, that parking by the Lessee shall be in the parking area described in Exhibit A.

(2) Lessee agrees to comply with all the laws of the F.A.A. and the State of Utah which pertain to and govern the flying of aircraft and the operation, conduct and maintenance of airports and agrees to comply with all the provisions of the ordinances of Wasatch County, Utah, and Heber City, Utah, which are now in effect and which may become effective during the period of this lease which pertain to the flying and operation of aircraft and the conduct and operation of airports. In signing this Agreement, Heber City waives only those minimum requirements of the existing Aviation Ordinance that specifically conflict with the provisions of this Agreement. As to such conflicts, the said minimum requirements are hereby waived pursuant to Section III of said ordinance.

(3) The property is leased to said Lessee for the purpose of conducting a general aviation business as a Fixed Base Operator and as a Special Services Operator as per "Minimum Standards and Requirements for the Conduct of Commercial Aeronautical Services and Activities at Heber City Municipal Airport, Wasatch County, Utah, Effective March 5, 1987 (Resolution 87.01)" and as amended or changed by mutual consent between Heber City and Lessee or as amended when deemed reasonable and necessary by the City Council for safety reasons or in order to comply with State and Federal rules and regulations or in order to assure

reasonable and competent service at said airport, and to do all things necessary to carry out said purposes.

(4) The Lessee agrees to pay as rental for said property the sum of \$2205.00 for the lease year from January 8, 1995 to January 7, 1996. Yearly rent will increase at 5% per annum unless the increase is waived by the Heber City Council with the consent of the Mayor. Each years rent is payable in advance.

As additional rental, Lessee is to pay two cents (2¢) per gallon for fuel flowage, paid quarterly, due on the amount delivered to the airport, not when sold to the user. Said assessment to commence with the first delivery following the signing of this agreement. The flow charge rate is to be reviewed every five years and may be increased or decreased to reflect regional trends. However, in no event shall the City arbitrarily increase the rate for the purpose of eliminating or replacing the Lessee as the FBO, nor shall the rate be increased if the airport is not serviced by an instrument approach system.

(5) In the performance of the management duties Lessee agrees to undertake the maintenance of the leased grounds, buildings, and utilities. The maintenance of the runway, taxiway, beacon lights, etc., remain the responsibility of Heber City. Lessee shall maintain and keep clean and sanitary the restrooms and shall undertake all janitorial services associated with the airport buildings. The restrooms and reception areas shall be available to that portion of the public that has a legitimate reason for being on the airport property. The Lessee shall further make a complete inspection at least once a week of all facilities at the airport

and report immediately any hazardous or dangerous condition to the city. Lessee agrees to maintain said property in good and serviceable condition and to serve the interest of the public and the city. Lessee shall arrange to have vending machine candy and soft drink dispensers available for the public.

(6) Lessee agrees to accept the premises at the airport in their present condition and any repairs necessary to the interior of the hangar or office or lounge at the airport to make the same serviceable, shall be at the expense of the Lessee.

(7) Lessee agrees that the facilities shall not be used as living quarters.

(8) Lessee agrees to furnish said services on a fair, equal and not unjustly discriminatory basis to all users of the airport.

(9) Lessee to charge fair, reasonable and not unjustly discriminatory prices for each unit of service provided that the Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

(10) The Lessee, in the operation and use of the Heber Airport will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by the Federal Aviation Regulations.

(11) It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right with the meaning of

Section 308 of the Federal Aviation Act.

(12) This contract is personal with the said Lessee and cannot be assigned by it to any other person except upon the written consent of Heber City. Such consent will not be unreasonably withheld.

(13) Lessee may add buildings and other improvements subject to the approval of the Lessor upon the aforementioned leased ground. At the end of the term of this lease, all facilities and improvements shall remain with the property and become the property of Heber City. The existing 10,000 gallon fuel tank and pumping and fuel dispensing facilities, together with any additional fuel facilities, shall be kept in compliance with State and Federal regulations and if they or any part becomes non-complying or hazardous, then they are to be removed at the expense of Lessee.

(14) In the event the Lessee shall maintain gasoline for the general flying public, the Lessee shall be responsible for any and all damage resulting therefrom. Lessee agrees to comply with all State and Federal requirements imposed for the storage and dispensing of such fuel. Any facilities for dispensing of fuel shall be obtained exclusively by the Lessee and at the Lessee's sole expense. Heber City shall under no condition be obligated in any manner for the fuel dispensing that the Lessee may elect to undertake.

(15) The Lessee specifically agrees that sixty (60) days after the end of each year to make an appointment and meet with the City Council of Heber City to review the administration of the

airport pursuant to this Lease. The parties mutually agree that said review shall be for the purpose of acquainting all members of the City Council with the terms of said Lease and the administration thereunder and for the formulation of rules, regulations and policies to be implemented for the future operation of said airport.

(16) The Lessee agrees to hold Heber City harmless from any damages or liability arising out of the Lessee's, its agents', and employees' occupation, maintenance, management, or commercial activities of said airport. In this regard, the Lessee agrees that it is its duty to inspect and maintain against all hazardous conditions that may exist or develop at said facilities. The Lessee agrees to provide liability insurance, for the protection of the Lessor and Lessee, which insurance shall be in the minimum amount set as per current insurance limits for defined Aeronautical Activities at municipal airports for FBO's and Special Service Operators but in no event less than the following: Public Liability and Property Damage - \$1,500,000 each accident; Hangar Keepers Liability - \$500,000 each accident; Products Liability - \$500,000 each accident. Lessee agrees to deliver a copy of the insurance policy to Heber City and annually provide the City with verification that the insurance premiums have been paid. The City has the right from time to time to review the policy limits and increase the same so that they are consistent with sound business practices.

(17) It is agreed that the old terminal building is not to be removed nor the operation contained therein interrupted

unless and until the improvements shown in Exhibits B through I have been completed and are operational.

(18) High Country Aviation agrees to the following:

(a) the removal of the electrical vault and placement of the airport electrical facilities into the new building referred to in Exhibits B through I; relocate the rotating beacon onto the top of the new building; bringing electrical service to the new building, including the installing of a meter on the building for the airport lighting; and

(b) removal of the existing terminal building, and asphaltting around and in front of the new building up to the existing asphalt.

It is understood that the parties will cooperate together to apply for state and federal grants for the improvements contemplated.

(19) It is agreed that Heber City will at such time as Heber City deems the same necessary and as budgeted monies become available to (a) relocate the dog pound and (b) acquire, for removal purposes, the interests of third parties in and to the three old hangars. (It is anticipated that the removal of the old hangars will be done in conjunction with a grant to expand the apron area as additional hangars are constructed.) However, no time commitment exists with respect to these proposed projects.

(20) That portion of Section II 4A6 of the Aviation Ordinance which requires fuel storage tanks at the airport to be installed underground shall be modified to permit above ground storage that is not in violation of any fire code, Federal, State,

or local laws, statutes, ordinances, rules or regulations. It shall be the responsibility of the Lessee to be acquainted with existing codes, ordinances, regulations, etc. Lessee is only to maintain above ground storage facilities when Lessee has determined that such facilities are in compliance with applicable fire codes, Federal, State and local laws, statutes, ordinances, rules and regulations, pertaining to fire safety and airport fuel storage requirements.

(21) The Lessee shall supply to the Heber City Recorder (a) a quarterly report which shall include total gallonage delivered to the airport, gallonage purchased and gallonage sold, and (b) a yearly gross income report from all sources together with a statement of expenses. This yearly report shall be in the form of a complete operating statement and shall be submitted within thirty (30) days after the end of each calendar year.

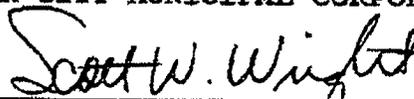
(22) Heber City may elect to terminate this lease for cause, meaning that the Lessee has not performed under minimum standards of this agreement. Heber City is not to arbitrarily and capriciously exercise this right.

(23) In case the Lessee shall fail to pay the rent as herein provided or in case it shall default in or fail to keep any of the material covenants to be performed by Lessee, and shall fail to remedy said default within a reasonable period of time after receiving written notice of said default, Lessee shall forfeit all rights that it may have under and by virtue of this lease and shall become a tenant by will of Heber City and Lessee agrees to vacate and surrender said premises within thirty (30) days of written

notice. Lessee has the right to a City Council hearing before the City exercises any rights under this paragraph.

HEBER CITY MUNICIPAL CORPORATION

By:



Scott W. Wright, Mayor

Clerk and Recorder

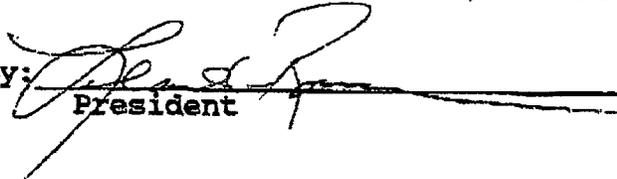
ATTESTED:



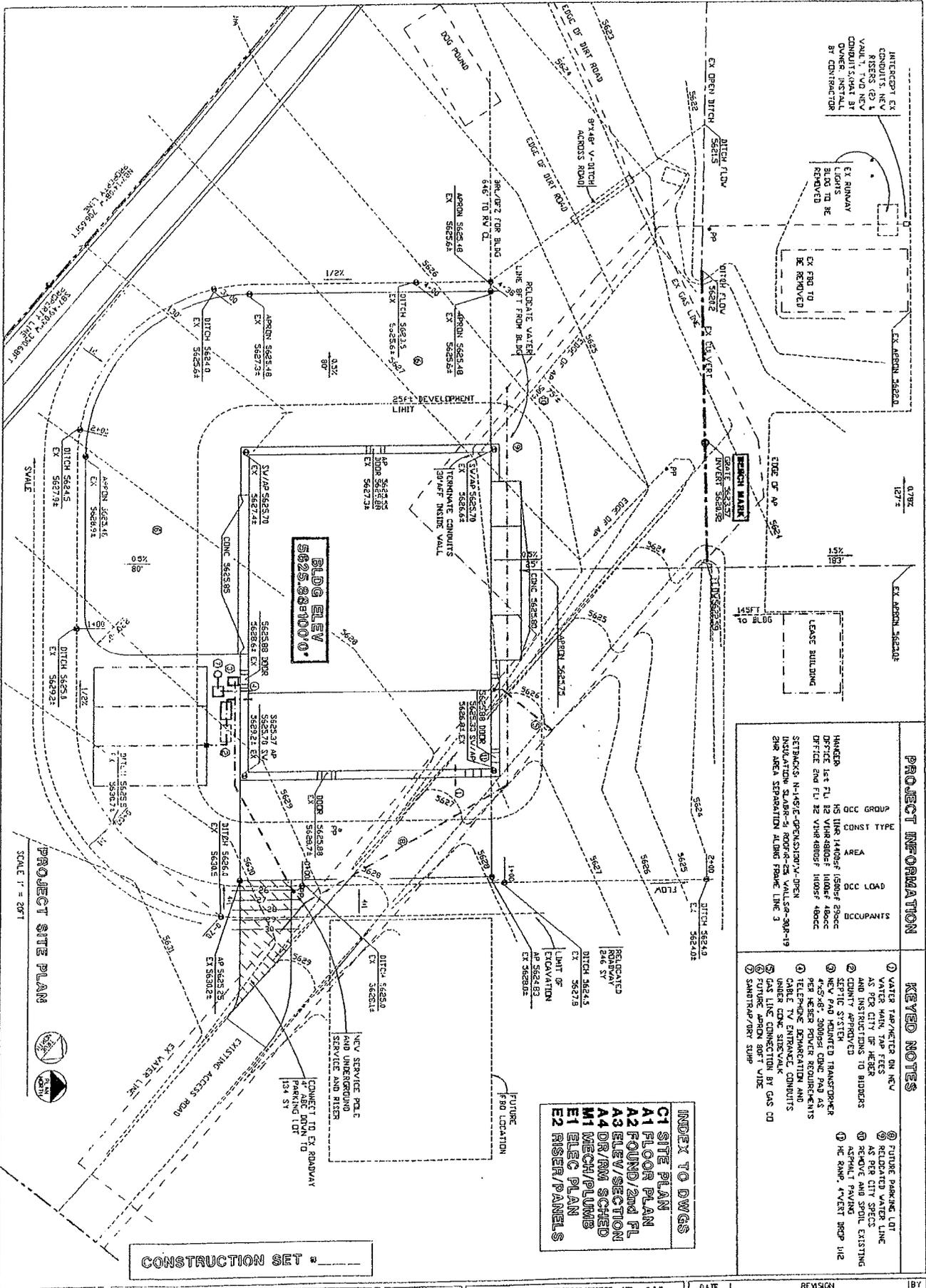
Mark Anderson, Recorder

HIGH COUNTRY AVIATION INC., LESSEE

By:



President



PROJECT INFORMATION	KEYED NOTES
<p>OCC GROUP CONST TYPE AREA OCC LOAD OCCUPANTS</p>	<p>① WATER TAPPED ON NEW WATER MAIN, TAP FEES AS PER CITY OF ASHER AND INSTRUCTIONS TO BIDDERS ② COUNTY APPROVED ③ SEPTIC SYSTEM ④ NEW PAD MOUNTED TRANSFORMER 400V-208V-3PH-3W-4W ⑤ TELEPHONE RECONSTRUCTION AND CABLE TV ENTRANCE CONDUITS UNDER CONC SIDEWALK ⑥ GAS LINES CONNECTION BY GAS CO ⑦ FUTURE APRON BOTT VIDE SANITRAP/OVER SUPP</p>

INDEX TO DWGS

- C1 SITE PLAN
- A1 FLOOR PLAN
- A2 FOUND/2ND FL
- A3 ELEV/SECTION
- A4 DR/RW SCHED
- M1 MECH/PLUMB
- E1 ELEC PLAN
- E2 RISER/PANELS

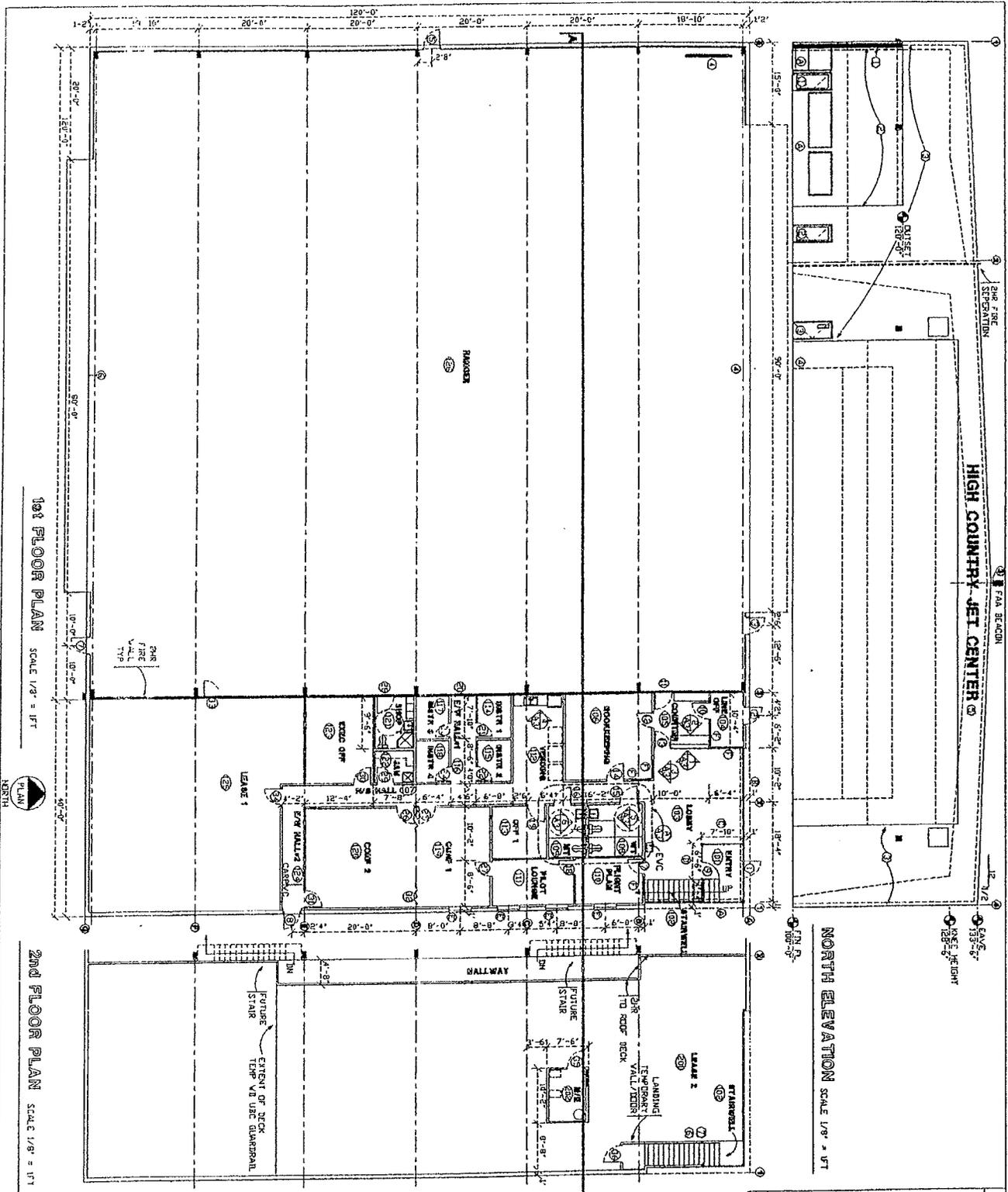
CONSTRUCTION SET # _____

PROJECT INFO, SITE PLAN
TERMINAL OFFICE / HANGER
HIGH COUNTRY AVIATION

GEORGE E BENNETT JR, AIA
ARCHITECTURE
DEVELOPMENT

DATE	REVISION	BY
12/2/94	CHANGE ORDER #2	CEB

PROJECT SITE PLAN
 SCALE 1" = 20'



1st FLOOR PLAN SCALE 1/8" = 1'-0"

2nd FLOOR PLAN SCALE 1/8" = 1'-0"

NORTH ELEVATION SCALE 1/8" = 1'-0"

KEYED NOTES

- 1) 8" ACCENT PAINTED STL COLUMN
- 2) ARCH PANEL, COLOR #2
- 3) STD R-PANEL AND TRIM COLOR #1
- 4) FAA RUNWAY LIGHT EQUIPMENT
- 5) 2" HIGH RED ENAMEL ON CAST PLASTIC LETTERS, STUO #10
- 6) STEEL PAN CONC FILLED STL RISER
- 7) STL STRINGERS, DR USE HANDRAIL
- 8) 10-6-67 RISERS 12-4-17 RISERS
- 9) FULL HEIGHT STAIR SHFT, SEE ROOM FINISH SCHEDULE

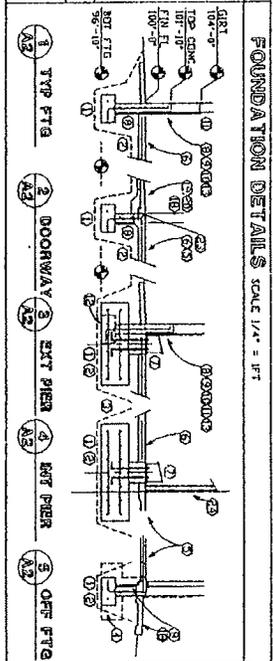
FLOOR PLAN / NORTH ELEV
 TERMINAL OFFICE / HANGER
 High Country Aviation

GEORGE E BENNETT JR, AIA
 ARCHITECTURE
 DEVELOPMENT
 1218 SOUTH WY WEST

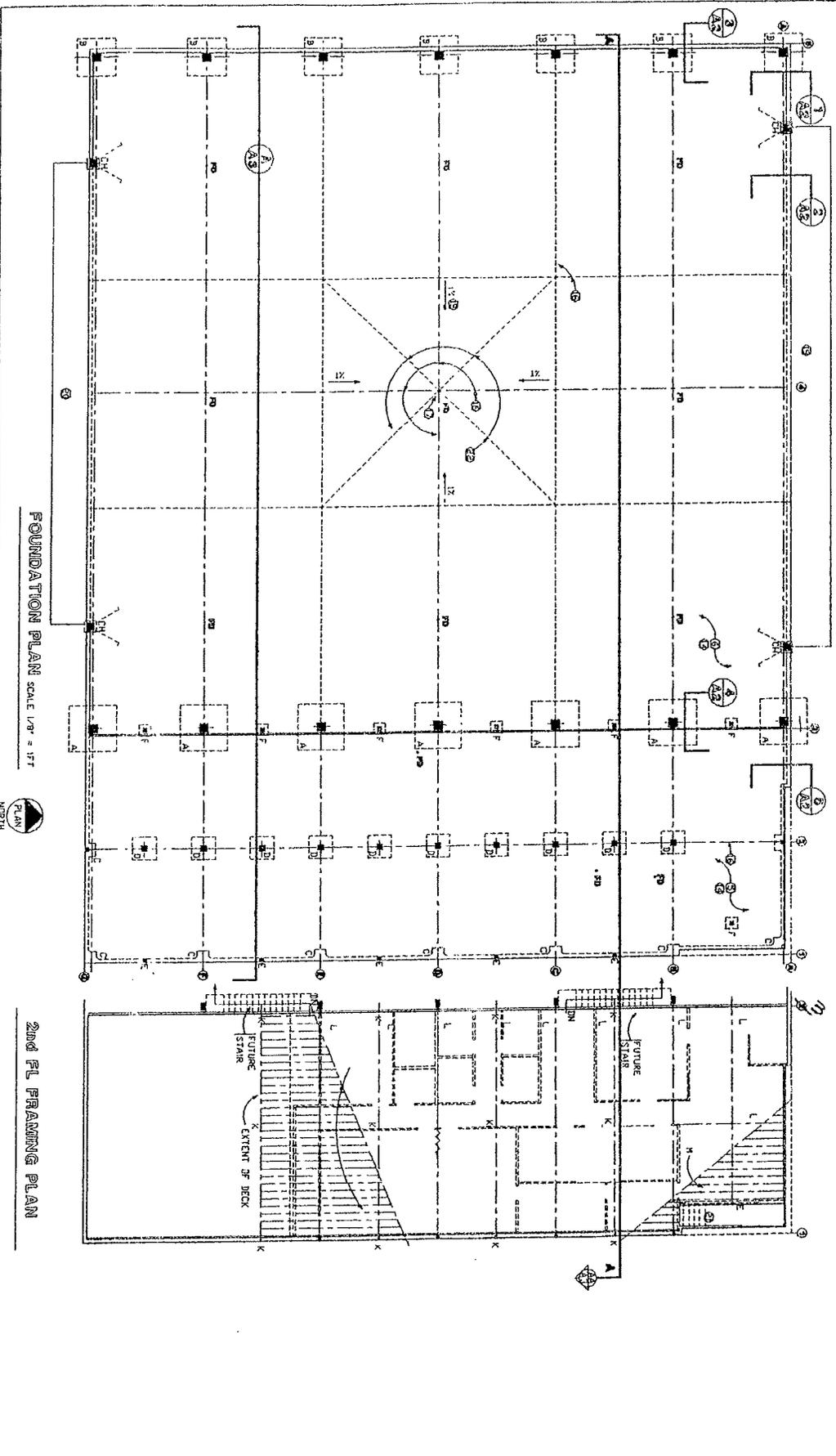
DATE	REVISION	BY

DATE: 5/11/11
 DRAWN BY: PROUL 931
 SCALE: 1/8" = 1'-0"
 SHEET: A

PIER/FTG SCHEDULE		
FTG SIZE	STEEL	NOTES
A 24"x48"x12'	A502B	243 STUDS & TOP. THEN 12' OC
B 24"x36"x12'	A502B	243 STUDS & TOP. THEN 12' OC
C 18"x36"x12'	A502B	243 STUDS & TOP. THEN 12' OC
D 18"x24"x12'	A502B	243 STUDS & TOP. THEN 12' OC
E 12"x24"x12'	A502B	243 STUDS & TOP. THEN 12' OC
F 12"x18"x12'	A502B	243 STUDS & TOP. THEN 12' OC
G 12"x12"x12'	A502B	243 STUDS & TOP. THEN 12' OC
H 12"x8"x12'	A502B	243 STUDS & TOP. THEN 12' OC
I 8"x12"x12'	A502B	243 STUDS & TOP. THEN 12' OC
J 8"x8"x12'	A502B	243 STUDS & TOP. THEN 12' OC
K 4"x4"x12'	A502B	243 STUDS & TOP. THEN 12' OC
L 4"x4"x8'	A502B	243 STUDS & TOP. THEN 12' OC
M 4"x4"x6'	A502B	243 STUDS & TOP. THEN 12' OC
N 4"x4"x4'	A502B	243 STUDS & TOP. THEN 12' OC



KEYED NOTES	
1	EX. NATIVE SOIL, 95% PROCTOR
2	6" CRG. FILL 97% PROCTOR
3	3500 PSI CONC. AIR ENTRAINED STL AS SCHEDULED
4	PIER AND PER/FTG BEYOND 315' 3500 PSI CONC. AIR ENTRAINED
5	315' 3500 PSI CONC. AIR ENTRAINED
6	DIVER. 4" 97% PROCTOR AIR STL
7	6" 3500 PSI CONC. AIR ENTRAINED
8	1/2" 24" RIGID BLUE BOARD
9	4" HIGH 5/8" WAFER BR. PAINTED
10	BLDG. BASE GRD. TP
11	1/2" 24" RIGID BLUE BOARD
12	4" HIGH 5/8" WAFER BR. PAINTED
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88	BLDG. BASE GRD. TP
89	1/2" 24" RIGID BLUE BOARD
90	4" HIGH 5/8" WAFER BR. PAINTED
91	BLDG. BASE GRD. TP
92	1/2" 24" RIGID BLUE BOARD
93	4" HIGH 5/8" WAFER BR. PAINTED
94	BLDG. BASE GRD. TP
95	1/2" 24" RIGID BLUE BOARD
96	4" HIGH 5/8" WAFER BR. PAINTED
97	BLDG. BASE GRD. TP
98	1/2" 24" RIGID BLUE BOARD
99	4" HIGH 5/8" WAFER BR. PAINTED
100	BLDG. BASE GRD. TP



DATE	REVISION	BY

GEORGE E BENNETT JR, AIA
ARCHITECTURE
DEVELOPMENT
122 SOUTH 1ST WEST

FOUND & 2nd FL FRAMING
TERMINAL OFFICE / HANGER
HIGH COUNTRY AVIATION

DATE: _____
DRAWN BY: _____
PROJ. NO.: 331
SCALE: _____
SHEET: A

Heber City Corporation
 Reversionary vs. Non-Reversionary Leases
 75' X 75' Hangar
 Heber City Revenues - Does not include other County Property Taxes

Assumptions: Leasehold Rate (Improved/Unimproved) \$ 0.46
 CPI Assumption/Interest Rate 2%
 Leasehold 95' X95' (5,625 hangar 3,400 sq. feet unimproved) \$ 250,000
 Estimated Initial Hangar Value \$ 250,000
 Monthly Lease Fee \$ 2,500
 Heber City Property Tax Rate 0.001146

Year	Reversionary				Non- Reversionary				
	Property Ground Lease	Property Taxes	60% Net Lease Fee	Total Revenue	NPV @ 2% Interest	Property Ground Lease	Property Taxes	Total Revenue	NPV @ 2% Interest
1	\$ 2,344.00	\$ 286.50		\$ 2,630.50	\$ 2,630.50	\$ 4,151.50	\$ 286.50	\$ 4,438.00	\$ 4,438.00
2	\$ 2,390.88	\$ -		\$ 2,390.88	\$ 2,343.06	\$ 4,234.53	\$ 286.50	\$ 4,521.03	\$ 4,430.61
3	\$ 2,438.70	\$ -		\$ 2,438.70	\$ 2,342.13	\$ 4,319.22	\$ 286.50	\$ 4,605.72	\$ 4,423.33
4	\$ 2,487.47	\$ -		\$ 2,487.47	\$ 2,341.19	\$ 4,405.61	\$ 286.50	\$ 4,692.11	\$ 4,416.17
5	\$ 2,537.22	\$ -		\$ 2,537.22	\$ 2,340.25	\$ 4,493.72	\$ 286.50	\$ 4,780.22	\$ 4,409.12
6	\$ 2,587.97	\$ -		\$ 2,587.97	\$ 2,339.32	\$ 4,583.59	\$ 286.50	\$ 4,870.09	\$ 4,402.18
7	\$ 2,639.72	\$ -		\$ 2,639.72	\$ 2,338.38	\$ 4,675.26	\$ 286.50	\$ 4,961.76	\$ 4,395.34
8	\$ 2,692.52	\$ -		\$ 2,692.52	\$ 2,337.44	\$ 4,768.77	\$ 286.50	\$ 5,055.27	\$ 4,388.61
9	\$ 2,746.37	\$ -		\$ 2,746.37	\$ 2,336.51	\$ 4,864.14	\$ 286.50	\$ 5,150.64	\$ 4,381.98
10	\$ 2,801.30	\$ -		\$ 2,801.30	\$ 2,335.58	\$ 4,961.43	\$ 286.50	\$ 5,247.93	\$ 4,375.45
11	\$ 2,857.32	\$ -		\$ 2,857.32	\$ 2,334.64	\$ 5,060.66	\$ 286.50	\$ 5,347.16	\$ 4,369.02
12	\$ 2,914.47	\$ -		\$ 2,914.47	\$ 2,333.71	\$ 5,161.87	\$ 286.50	\$ 5,448.37	\$ 4,362.68
13	\$ 2,972.76	\$ -		\$ 2,972.76	\$ 2,332.77	\$ 5,265.11	\$ 286.50	\$ 5,551.61	\$ 4,356.44
14	\$ 3,032.21	\$ -		\$ 3,032.21	\$ 2,331.84	\$ 5,370.41	\$ 286.50	\$ 5,656.91	\$ 4,350.29
15	\$ 3,092.86	\$ -		\$ 3,092.86	\$ 2,330.91	\$ 5,477.82	\$ 286.50	\$ 5,764.32	\$ 4,344.23
16	\$ 3,154.72	\$ -		\$ 3,154.72	\$ 2,329.98	\$ 5,587.37	\$ 286.50	\$ 5,873.87	\$ 4,338.26
17	\$ 3,217.81	\$ -		\$ 3,217.81	\$ 2,329.04	\$ 5,699.12	\$ 286.50	\$ 5,985.62	\$ 4,332.38
18	\$ 3,282.17	\$ -		\$ 3,282.17	\$ 2,328.11	\$ 5,813.10	\$ 286.50	\$ 6,099.60	\$ 4,326.58
19	\$ 3,347.81	\$ -		\$ 3,347.81	\$ 2,327.18	\$ 5,929.36	\$ 286.50	\$ 6,215.86	\$ 4,320.87
20	\$ 3,414.77	\$ -		\$ 3,414.77	\$ 2,326.25	\$ 6,047.95	\$ 286.50	\$ 6,334.45	\$ 4,315.24
21	\$ 3,483.06	\$ -		\$ 3,483.06	\$ 2,325.32	\$ 6,168.91	\$ 286.50	\$ 6,455.41	\$ 4,309.68
22	\$ 3,552.72	\$ -		\$ 3,552.72	\$ 2,324.39	\$ 6,292.29	\$ 286.50	\$ 6,578.79	\$ 4,304.21
23	\$ 3,623.78	\$ -		\$ 3,623.78	\$ 2,323.46	\$ 6,418.13	\$ 286.50	\$ 6,704.63	\$ 4,298.82
24	\$ 3,696.25	\$ -		\$ 3,696.25	\$ 2,322.53	\$ 6,546.50	\$ 286.50	\$ 6,833.00	\$ 4,293.50
25	\$ 3,770.18	\$ -		\$ 3,770.18	\$ 2,321.60	\$ 6,677.43	\$ 286.50	\$ 6,963.93	\$ 4,288.25
26	\$ 3,845.58	\$ -		\$ 3,845.58	\$ 2,320.67	\$ 6,810.98	\$ 286.50	\$ 7,097.48	\$ 4,283.08
27	\$ 3,922.49	\$ -		\$ 3,922.49	\$ 2,319.74	\$ 6,947.20	\$ 286.50	\$ 7,233.70	\$ 4,277.97
28	\$ 4,000.94	\$ -		\$ 4,000.94	\$ 2,318.82	\$ 7,086.14	\$ 286.50	\$ 7,372.64	\$ 4,272.94
29	\$ 4,080.96	\$ -		\$ 4,080.96	\$ 2,317.89	\$ 7,227.86	\$ 286.50	\$ 7,514.36	\$ 4,267.98
30	\$ 4,162.58	\$ -		\$ 4,162.58	\$ 2,316.96	\$ 7,372.42	\$ 286.50	\$ 7,658.92	\$ 4,263.08
31			\$ 14,400.00	\$ 14,400.00	\$ 7,854.97	\$ 7,519.87	\$ 286.50	\$ 7,806.37	\$ 4,258.25
32			\$ 14,688.00	\$ 14,688.00	\$ 7,851.83	\$ 7,670.26	\$ 286.50	\$ 7,956.76	\$ 4,253.48
33			\$ 14,981.76	\$ 14,981.76	\$ 7,848.69	\$ 7,823.67	\$ 286.50	\$ 8,110.17	\$ 4,248.78
34			\$ 15,281.40	\$ 15,281.40	\$ 7,845.55	\$ 7,980.14	\$ 286.50	\$ 8,266.64	\$ 4,244.14
35			\$ 15,587.02	\$ 15,587.02	\$ 7,842.41	\$ 8,139.75	\$ 286.50	\$ 8,426.25	\$ 4,239.56
36			\$ 15,898.76	\$ 15,898.76	\$ 7,839.28	\$ 8,302.54	\$ 286.50	\$ 8,589.04	\$ 4,235.04
37			\$ 16,216.74	\$ 16,216.74	\$ 7,836.14	\$ 8,468.59	\$ 286.50	\$ 8,755.09	\$ 4,230.58
38			\$ 16,541.07	\$ 16,541.07	\$ 7,833.01	\$ 8,637.96	\$ 286.50	\$ 8,924.46	\$ 4,226.17
39			\$ 16,871.90	\$ 16,871.90	\$ 7,829.87	\$ 8,810.72	\$ 286.50	\$ 9,097.22	\$ 4,221.82
40			\$ 17,209.33	\$ 17,209.33	\$ 7,826.74	\$ 8,986.94	\$ 286.50	\$ 9,273.44	\$ 4,217.53
41			\$ 17,553.52	\$ 17,553.52	\$ 7,823.61	\$ 9,166.68	\$ 286.50	\$ 9,453.18	\$ 4,213.28
42			\$ 17,904.59	\$ 17,904.59	\$ 7,820.48	\$ 9,350.01	\$ 286.50	\$ 9,636.51	\$ 4,209.10
43			\$ 18,262.68	\$ 18,262.68	\$ 7,817.35	\$ 9,537.01	\$ 286.50	\$ 9,823.51	\$ 4,204.96
44			\$ 18,627.94	\$ 18,627.94	\$ 7,814.23	\$ 9,727.75	\$ 286.50	\$ 10,014.25	\$ 4,200.87
45			\$ 19,000.49	\$ 19,000.49	\$ 7,811.10	\$ 9,922.31	\$ 286.50	\$ 10,208.81	\$ 4,196.84
46			\$ 19,380.50	\$ 19,380.50	\$ 7,807.98	\$ 10,120.75	\$ 286.50	\$ 10,407.25	\$ 4,192.85
47			\$ 19,768.11	\$ 19,768.11	\$ 7,804.85	\$ 10,323.17	\$ 286.50	\$ 10,609.67	\$ 4,188.91
48			\$ 20,163.48	\$ 20,163.48	\$ 7,801.73	\$ 10,529.63	\$ 286.50	\$ 10,816.13	\$ 4,185.02
49			\$ 20,566.75	\$ 20,566.75	\$ 7,798.61	\$ 10,740.22	\$ 286.50	\$ 11,026.72	\$ 4,181.17
50			\$ 20,978.08	\$ 20,978.08	\$ 7,795.49	\$ 10,955.03	\$ 286.50	\$ 11,241.53	\$ 4,177.37
	\$ 95,091.58	\$ 286.50	\$ 349,882.13	\$ 445,260.20	\$ 226,704.10	\$ 351,131.39	\$ 14,325.00	\$ 365,456.39	\$ 214,661.99
				\$ (30,000.00)	\$ (11,148.05)				
				\$ 415,260.20	\$ 215,556.05			88%	100%

* May be funded with FAA Grants for Airport Redevelopment
 Property tax revenue does not truly decline, \$106,182 is shifted to other taxpayers.
 Net Lease Fees are net of management, maintenance and insurance costs
 Reversionary Leases would not be subject to a potential buyout

Heber City Corporation
 Reversionary vs. Non-Reversionary Leases
 75' X 75' Hangar
 Includes all County Property Tax Revenue

Assumptions:

Hangar Rate (Improved/Unimproved) \$ 0.46
 Unimproved Ground Rate (sq. ft)
 CPI Assumption/Interest Rate 2%
 Leasehold 95' X 95' (5,625 hangar 3,400 sq. feet unimproved)
 Estimated Initial Hangar Value \$ 250,000
 Monthly Lease Fee \$ 2,500
 Wasatch County Prop. Tax Rate 0.012311

Year	Reversionary				Non- Reversionary				
	Property Ground Lease	Property Taxes	60% Net Lease Fee	Total Revenue	NPV @ 2% Interest	Property Ground Lease	Property Taxes	Total Revenue	NPV @ 2% Interest
1	\$ 2,587.50	\$ 3,077.75		\$ 5,665.25	\$ 5,665.25	\$ 4,158.40	\$ 3,077.75	\$ 7,236.15	\$ 7,236.15
2	\$ 2,639.25	\$ 2,975.16		\$ 5,614.41	\$ 5,502.12	\$ 4,241.57	\$ 3,077.75	\$ 7,319.32	\$ 7,172.93
3	\$ 2,692.04	\$ 2,872.57		\$ 5,564.60	\$ 5,344.24	\$ 4,326.40	\$ 3,077.75	\$ 7,404.15	\$ 7,110.95
4	\$ 2,745.88	\$ 2,769.98		\$ 5,515.85	\$ 5,191.47	\$ 4,412.93	\$ 3,077.75	\$ 7,490.68	\$ 7,050.17
5	\$ 2,800.79	\$ 2,667.38		\$ 5,468.18	\$ 5,043.67	\$ 4,501.19	\$ 3,077.75	\$ 7,578.94	\$ 6,990.57
6	\$ 2,856.81	\$ 2,564.79		\$ 5,421.60	\$ 4,900.70	\$ 4,591.21	\$ 3,077.75	\$ 7,668.96	\$ 6,932.13
7	\$ 2,913.95	\$ 2,462.20		\$ 5,376.15	\$ 4,762.42	\$ 4,683.03	\$ 3,077.75	\$ 7,760.78	\$ 6,874.83
8	\$ 2,972.22	\$ 2,359.61		\$ 5,331.83	\$ 4,628.70	\$ 4,776.69	\$ 3,077.75	\$ 7,854.44	\$ 6,818.64
9	\$ 3,031.67	\$ 2,257.02		\$ 5,288.69	\$ 4,499.42	\$ 4,872.23	\$ 3,077.75	\$ 7,949.98	\$ 6,763.55
10	\$ 3,092.30	\$ 2,154.43		\$ 5,246.73	\$ 4,374.45	\$ 4,969.67	\$ 3,077.75	\$ 8,047.42	\$ 6,709.52
11	\$ 3,154.15	\$ 2,051.83		\$ 5,205.98	\$ 4,253.67	\$ 5,069.07	\$ 3,077.75	\$ 8,146.82	\$ 6,656.54
12	\$ 3,217.23	\$ 1,949.24		\$ 5,166.47	\$ 4,136.96	\$ 5,170.45	\$ 3,077.75	\$ 8,248.20	\$ 6,604.59
13	\$ 3,281.58	\$ 1,846.65		\$ 5,128.23	\$ 4,024.20	\$ 5,273.86	\$ 3,077.75	\$ 8,351.61	\$ 6,553.65
14	\$ 3,347.21	\$ 1,744.06		\$ 5,091.27	\$ 3,915.30	\$ 5,379.33	\$ 3,077.75	\$ 8,457.08	\$ 6,503.69
15	\$ 3,414.15	\$ 1,641.47		\$ 5,055.62	\$ 3,810.13	\$ 5,486.92	\$ 3,077.75	\$ 8,564.67	\$ 6,454.69
16	\$ 3,482.43	\$ 1,538.88		\$ 5,021.31	\$ 3,708.58	\$ 5,596.66	\$ 3,077.75	\$ 8,674.41	\$ 6,406.65
17	\$ 3,552.08	\$ 1,436.28		\$ 4,988.37	\$ 3,610.57	\$ 5,708.59	\$ 3,077.75	\$ 8,786.34	\$ 6,359.53
18	\$ 3,623.12	\$ 1,333.69		\$ 4,956.82	\$ 3,515.98	\$ 5,822.76	\$ 3,077.75	\$ 8,900.51	\$ 6,313.33
19	\$ 3,695.59	\$ 1,231.10		\$ 4,926.69	\$ 3,424.71	\$ 5,939.22	\$ 3,077.75	\$ 9,016.97	\$ 6,268.01
20	\$ 3,769.50	\$ 1,128.51		\$ 4,898.01	\$ 3,336.68	\$ 6,058.00	\$ 3,077.75	\$ 9,135.75	\$ 6,223.57
21	\$ 3,844.89	\$ 1,025.92		\$ 4,870.81	\$ 3,251.79	\$ 6,179.16	\$ 3,077.75	\$ 9,256.91	\$ 6,179.99
22	\$ 3,921.79	\$ 923.33		\$ 4,845.11	\$ 3,169.94	\$ 6,302.75	\$ 3,077.75	\$ 9,380.50	\$ 6,137.24
23	\$ 4,000.22	\$ 820.73		\$ 4,820.96	\$ 3,091.06	\$ 6,428.80	\$ 3,077.75	\$ 9,506.55	\$ 6,095.32
24	\$ 4,080.23	\$ 718.14		\$ 4,798.37	\$ 3,015.04	\$ 6,557.38	\$ 3,077.75	\$ 9,635.13	\$ 6,054.21
25	\$ 4,161.83	\$ 615.55		\$ 4,777.38	\$ 2,941.82	\$ 6,688.53	\$ 3,077.75	\$ 9,766.28	\$ 6,013.88
26	\$ 4,245.07	\$ 512.96		\$ 4,758.03	\$ 2,871.30	\$ 6,822.30	\$ 3,077.75	\$ 9,900.05	\$ 5,974.33
27	\$ 4,329.97	\$ 410.37		\$ 4,740.34	\$ 2,803.41	\$ 6,958.74	\$ 3,077.75	\$ 10,036.49	\$ 5,935.54
28	\$ 4,416.57	\$ 307.78		\$ 4,724.34	\$ 2,738.08	\$ 7,097.92	\$ 3,077.75	\$ 10,175.67	\$ 5,897.49
29	\$ 4,504.90	\$ 205.18		\$ 4,710.08	\$ 2,675.22	\$ 7,239.88	\$ 3,077.75	\$ 10,317.63	\$ 5,860.17
30	\$ 4,595.00	\$ 102.59		\$ 4,697.59	\$ 2,614.76	\$ 7,384.67	\$ 3,077.75	\$ 10,462.42	\$ 5,823.56
31			\$ 18,000.00	\$ 18,000.00	\$ 9,818.72	\$ 7,532.37	\$ 3,077.75	\$ 10,610.12	\$ 5,787.65
32			\$ 18,360.00	\$ 18,360.00	\$ 9,814.79	\$ 7,683.01	\$ 3,077.75	\$ 10,760.76	\$ 5,752.43
33			\$ 18,727.20	\$ 18,727.20	\$ 9,810.86	\$ 7,836.67	\$ 3,077.75	\$ 10,914.42	\$ 5,717.88
34			\$ 19,101.74	\$ 19,101.74	\$ 9,806.94	\$ 7,993.41	\$ 3,077.75	\$ 11,071.16	\$ 5,683.99
35			\$ 19,483.78	\$ 19,483.78	\$ 9,803.02	\$ 8,153.28	\$ 3,077.75	\$ 11,231.03	\$ 5,650.75
36			\$ 19,873.45	\$ 19,873.45	\$ 9,799.10	\$ 8,316.34	\$ 3,077.75	\$ 11,394.09	\$ 5,618.14
37			\$ 20,270.92	\$ 20,270.92	\$ 9,795.18	\$ 8,482.67	\$ 3,077.75	\$ 11,560.42	\$ 5,586.15
38			\$ 20,676.34	\$ 20,676.34	\$ 9,791.26	\$ 8,652.32	\$ 3,077.75	\$ 11,730.07	\$ 5,554.76
39			\$ 21,089.87	\$ 21,089.87	\$ 9,787.34	\$ 8,825.37	\$ 3,077.75	\$ 11,903.12	\$ 5,523.97
40			\$ 21,511.67	\$ 21,511.67	\$ 9,783.43	\$ 9,001.87	\$ 3,077.75	\$ 12,079.62	\$ 5,493.77
41			\$ 21,941.90	\$ 21,941.90	\$ 9,779.51	\$ 9,181.91	\$ 3,077.75	\$ 12,259.66	\$ 5,464.14
42			\$ 22,380.74	\$ 22,380.74	\$ 9,775.60	\$ 9,365.55	\$ 3,077.75	\$ 12,443.30	\$ 5,435.06
43			\$ 22,828.35	\$ 22,828.35	\$ 9,771.69	\$ 9,552.86	\$ 3,077.75	\$ 12,630.61	\$ 5,406.54
44			\$ 23,284.92	\$ 23,284.92	\$ 9,767.78	\$ 9,743.92	\$ 3,077.75	\$ 12,821.67	\$ 5,378.56
45			\$ 23,750.62	\$ 23,750.62	\$ 9,763.88	\$ 9,938.80	\$ 3,077.75	\$ 13,016.55	\$ 5,351.10
46			\$ 24,225.63	\$ 24,225.63	\$ 9,759.97	\$ 10,137.57	\$ 3,077.75	\$ 13,215.32	\$ 5,324.16
47			\$ 24,710.14	\$ 24,710.14	\$ 9,756.07	\$ 10,340.32	\$ 3,077.75	\$ 13,418.07	\$ 5,297.73
48			\$ 25,204.35	\$ 25,204.35	\$ 9,752.16	\$ 10,547.13	\$ 3,077.75	\$ 13,624.88	\$ 5,271.79
49			\$ 25,708.43	\$ 25,708.43	\$ 9,748.26	\$ 10,758.07	\$ 3,077.75	\$ 13,835.82	\$ 5,246.34
50			\$ 26,222.60	\$ 26,222.60	\$ 9,744.36	\$ 10,973.23	\$ 3,077.75	\$ 14,050.98	\$ 5,221.37
	#####	\$ 47,705.13	\$ 437,352.66	\$ 590,027.69	\$ 312,451.54	\$ 351,714.98	\$ 153,887.50	\$ 505,602.48	\$ 303,741.70
	Estimated Demolition Cost *			\$ (30,000.00)	\$ (11,148.05)				
	Net Revenues			\$ 560,027.69	\$ 301,303.49			90%	101%

* May be funded with FAA Grants for Airport Redevelopment
 Property tax revenue does not truly decline, \$106,182 is shifted to other taxpayers.
 Net Lease Fees are net of management, maintenance and insurance costs
 Reversionary Leases would not be subject to a potential buyout