Extra Materials

and the Lessee shall keep in effect any and all required licenses, permits, notices and certificates.

XII. FIRST RIGHT OF REFUSAL OF SALE OF HANGAR

A. First Right of Refusal for Sale of Hangar – If at any time, Lessee desires to sell or otherwise transfer its interest under this Agreement, including the Improvements existing on the Leased Premises, to a Buyer, and has obtained a bona fide offer for such sale, Lessee must first offer to sell or otherwise transfer such interest to the City, at the price and on the same terms as such bona fide offer, and the City shall have the right to purchase Lessee's interest under such terms. Such offer must be in writing and provide a copy of the sales agreement showing all terms and conditions of the proposed sale. The City shall have the right for a period of twenty-one (21) days after receipt of the offer from Lessee to elect to purchase Lessee's interest (such twenty-one [21] day period referred to as the "Election Period"). If the City does not desire to purchase Lessee's interest, Lessee may then sell or otherwise transfer its interest in this Agreement to the person making the said offer, at the price and terms set forth in the offer, subject to the requirements of Article XIII. If Lessee fails to close such sale within one hundred twenty (120) days after the expiration of the Election Period, any proposed sale or other transfer thereafter shall again be subject to this Section. This right of the City shall be continuing and shall survive any sale or other transfer of Lessee's interest under this Agreement. The intent of this Section is to require all of Lessee's interests in this Agreement be sold or otherwise transferred intact, without fractionalization.

B. In the event that the Hangar is sold prior to the end of the Lease Term:

1. Lessee shall not assign this Lease, or sublease any part of the premises without prior written approval of the City, which approval shall not be unreasonably withheld. However, a 1% transfer fee or $100, whichever is the greater amount, shall be paid to the City based upon the current assessor's valuation at the time of the assignment or transfer of the lease or sale of the hangar. The Lessee/Seller may elect to have the City not assign the remainder of this Lease to the Buyer, but instead enter into a new lease between Heber City and the Buyer

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that is based upon such terms and conditions, including rental rates, of the then-current Airport standard lease form being offered by the City, provided:

a. Lessee/Seller is not in default in the payment of any rent or in any other provisions of this Agreement, is in good standing at the Airport, and submits a current certificate from a Certified Building Inspector to the Airport Manager that the hangar is structurally sound and is projected to be sound for the duration of the new lease.

b. The lease is consistent with the Airport's master plan then in effect and all federal rules, regulations, directives, and guidelines or other obligations with respect to the Airport, including but not limited to the "grant assurances" to the FAA.

c. A 3% transaction fee shall be paid to the City based upon the sales price, or the current assessor's valuation, whichever is higher, at the time of the sale of the hangar prior to a new lease being issued.

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XIII. SUBLEASING

A. Lessee may sublease all or any part of the premises upon prior written approval of the City which shall not be unreasonably withheld, providing Lessee and Sublessee are in good standing at the Airport and Sublessee abides by the conditions of this Lease and the Airport Minimum Standards and/or Rules and Regulations.

B. Sublessees will pay an annual access card fee to the Airport Manager, c/o the Heber City Treasurer, with the annual fee to be determined by the City's Consolidated Fee Schedule.

C. An owner of multiple hangars may be subject to additional requirements as set forth in the Airport Minimum Standards and/or Rules and Regulations.

XIV. RIGHT OF ENTRY AND INSPECTION.

The City hereby reserves the right to enter into and upon the leased premises and any improvements thereon at all reasonable times and for all reasonable purposes without prior notice. The City or the airport manager or its or his designated representative shall have the right