



**TIE DOWN AGREEMENT
BETWEEN
CITY OF ST. GEORGE
AND**

TIE DOWN AGREEMENT

THIS TIE DOWN AGREEMENT (which, as amended from time to time, is defined herein as the "Agreement") is entered into as of the ____ day of _____, 2011, by and between the City of St. George, Utah, a Utah municipal corporation, (the "City") and _____, a _____, ("Tenant").

RECITALS

WHEREAS, City operated a municipal airport located at 317 S. Donlee Drive, St. George, Utah 84770 (the "Former Airport") until on or about January 13, 2011; and

WHEREAS, City constructed a new airport located at 4550 S. Airport Parkway, St. George, Utah 84790 (the "Airport") and commenced operations at the Airport on or about January 13, 2011; and

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

WHEREAS, Tenant desires to lease certain real property at the Airport for purposes of parking an aircraft as set forth in this Agreement;

NOW, THEREFORE, in consideration of the payment of TEN AND NO/100 DOLLARS (\$10.00), the foregoing recitals and the covenants and conditions stated herein, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Agreement to Lease

A. Agreement to Lease Premises. City hereby leases to Tenant and Tenant hereby leases from City that certain real property described in Exhibit A together with the improvements constructed thereon by City (the "Premises"). City has authority to lease such Premises. Tenant agrees to accept the Premises "as is," and City makes no warranty as to the condition of the Premises or their suitability for any particular purpose.

B. Construction of Tenant Improvements. Tenant shall not construct any tenant improvements on the Premises.

C. Purpose of Agreement. Tenant agrees that it shall use the Premises for the following purposes only: the parking and storage of Aircraft, plus incidental activities related to such purposes consistent with the requirements of this Agreement. An "Aircraft" shall be any aircraft that Tenant owns or controls when approved in writing in advance by City. Tenant shall provide proof of the ownership or control of any Aircraft upon City's request. The following are the make, model, and identification number of all Aircraft approved by City upon entering this Agreement, and Tenant shall provide the same information to City in writing when requesting approval for any subsequent Aircraft:

- i. Make:
- ii. Model:
- iii. Identification Number:

D. Access. City agrees that if Tenant is not in breach of this Agreement, Tenant and Tenant's employees, officers, directors, contractors, subcontractors, suppliers, agents, invitees, and other representatives ("Tenant's Associates") are authorized to ingress and egress across the Airport (in the areas designated by City and as permitted by applicable Laws and Regulations, as such term is defined in Section 4.B) on a non-exclusive basis and to the extent reasonably necessary for Tenant's use, occupancy, and operations at the Premises.

E. Right of Flight and Other Reserved Rights. This Agreement conveys only a leasehold interest in the Premises on the terms and for the purposes provided herein, and it conveys no other rights, title, or interests of any kind. Among the rights reserved to City, City reserves in the Premises a right of flight for the passage of aircraft in the air, a right to cause such noise as may at any time be inherent in the operation of aircraft, and all other rights, including, but not limited to, water, minerals, oil, and gas.

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

2. Term. The term of this Agreement shall commence on _____, 2011 (the "Commencement Date") and shall continue thereafter for an initial term of one (1) year until _____, 20___. Upon the expiration of such initial term, this Agreement shall remain in effect on a month-to-month basis unless either party delivers a written notice of termination to the other party at least fifteen (15) days before the expiration of such initial term or before the end of any month thereafter. The "Expiration Date" shall be at the end of the term during which notice is given pursuant to this Section 2.

3. Rent

A. Rent. For Tenant's lease of the Premises, Tenant covenants to pay to City without set-off or deduction the rent provided in Exhibit B commencing on the Commencement Date. The rent for any fraction of a year shall be prorated. All rent shall be payable annually in advance without notice or demand by the first business day of the month of January and shall be subject to the terms stated in Exhibit B.

B. Additional Rent. Any sum (other than the rent required in Section 3.A) that Tenant is obligated to pay to City arising from or relating to this Agreement or Tenant's use, occupancy, or operations at the Airport constitutes additional rent, which may include, but is not limited to, fees, fuel flowage fees for self-fueling activities (at the rate and on the terms imposed by City), fines, civil penalties, damages, claims, interest, charges, expenses, and utility charges. Additional rent shall be subject to the terms stated in Exhibit B.

4. Tenant's Use of Premises and Airport

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

B. Comply with All Laws. Tenant and Tenant's Associates shall comply at all times, at Tenant's sole cost, with any and all laws and regulations (as amended or otherwise modified from time to time) that are applicable to Tenant's use, occupancy, or operations at the Premises or the Airport (the "Laws and Regulations"), which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law, and other pronouncements of any kind having the effect of law including, but not limited to, the Airport Rules and Regulations and all Laws and Regulations pertaining to the environment (the "Environmental Laws"); any and all plans and programs developed in compliance with such requirements (including, but not limited to, the Airport Security Plan); and all lawful, reasonable, and nondiscriminatory Airport policies and other requirements. Upon a written request by City, Tenant will verify, within a reasonable time frame, compliance with any Laws and Regulations.

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

D. Permits and Licenses. Tenant shall obtain and maintain in current status all permits and licenses that are required under any Laws and Regulations in connection with Tenant's use, occupancy, or operations at the Premises or the Airport. In the event that Tenant receives notice from any governmental authority that Tenant lacks, or is in violation of, any such permit or license, Tenant shall provide City with timely written notice of the same.

E. Taxes and Liens. Tenant shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Tenant's use, occupancy, or operations at the Premises or the Airport and all other obligations for which a lien may be created relating thereto. Within ten (10) days, Tenant shall remove any such lien that may be created or commence a protest of such lien by depositing with City cash or other security acceptable to City in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the Premises, Tenant shall include in such contract a provision prohibiting the contractor or

any subcontractor or supplier from filing a lien or asserting a claim against City's property or any interest therein.

F. Damage to Property and Notice of Harm. In addition to Tenant's indemnification obligations set forth in Article 6, Tenant, at Tenant's sole cost, shall repair or replace (to City's sole satisfaction) any damaged property that belongs to City or City's other tenants to the extent that such damage arises from or relates to an act or omission of Tenant or Tenant's Associates. Tenant shall promptly notify City of any such property damage. If Tenant discovers any other potential claims or losses that may affect City, Tenant shall promptly notify City of the same.

G. No Alterations or Improvements. Tenant shall not make or cause to be made to the Premises any alteration or improvement, and shall not alter or improve other areas of the Airport, without City's prior written consent (in City's sole discretion).

H. Signage and Advertising. Tenant is not authorized to install or operate any signage on the Premises or at the Airport except with the prior written approval of City (which may be given or withheld in City's sole discretion). Any approved signage shall be at Tenant's expense and shall comply with Laws and Regulations (including, but not limited to, City's Airport signage policies and standards and City's ordinance and permit requirements). Tenant shall not advertise or permit others to advertise at the Airport by any means, whether or not such advertising is for profit.

I. Security. Tenant is responsible to comply (at Tenant's sole cost) with all security measures that City, the United States Transportation Security Administration, or any other governmental authority having jurisdiction may require in connection with the Airport, including, but not limited to, any access credential requirements, any decision to remove Tenant's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Tenant or Tenant's Associates. Tenant agrees that City has the right (in City's sole discretion) to impose any Airport security requirements that City may determine. Tenant further agrees that Airport access credentials are the property of City and may be suspended or revoked by City in its sole discretion at any time. Tenant shall pay all fees associated with such credentials, and Tenant shall immediately report to the Airport Manager any lost credentials or credentials that Tenant removes from any employee or any of Tenant's Associates. Tenant shall protect and preserve security at the Airport.

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

K. Maintenance, Repair, Utilities, and Storage. Tenant's use, occupancy, and operations at the Premises shall be without cost or expense to City. Tenant shall be solely responsible to maintain, repair, and operate the Premises at Tenant's sole cost, including, but not limited to, waste disposal, ramp repair, and maintenance of tie down chains or other applicable restraints without cost or liability to the City. Tenant shall at all times maintain the Premises in a condition that is equal to the level of maintenance maintained by the City in comparable areas; that is clean, safe, sanitary, and in good repair; that is free of debris, petroleum products, and grease; and that complies with Laws and Regulations and does not interfere with the operations of City or other users. Tenant shall perform all work in accordance with Laws and Regulations and in a good and workmanlike manner. Tenant shall promptly remedy any condition that fails to meet this standard. Without limiting the foregoing obligations, Tenant shall not store any property on the Premises other than the Aircraft, including, but not limited to, any inoperable equipment (except the Aircraft with City's prior written consent pursuant to Section 4.J), discarded or unsightly materials, or materials likely to create a hazard, and Tenant shall place any trash in covered metal receptacles located off of the Premises. Any substance or material that is regulated by any Environmental Law ("Hazardous Materials") shall be governed by Section 7.

L. Operations. Tenant's operations shall comply with the following:

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

ii. Safety. City may, but is not obligated to, stop Tenant's operations if safety Laws and Regulations or other safe work practices are not being observed.

iii. Personnel. Tenant shall control the conduct, demeanor, and appearance of its employees and Tenant's Associates so that they do not annoy, disturb, or impair Airport customers, tenants, or employees. Tenant's employees shall possess adequate training and qualifications to carry out their assigned duties.

iv. Deficiencies. Without limiting or waiving any other remedies available to City, City's remedies shall include the following in connection with deficiencies in Tenant's operations:

a. Propose and Implement Cure. Tenant shall meet with the Airport Manager upon such manager's request regarding the quality of Tenant's operations, whether or not in connection with a specific complaint. Tenant shall propose curative

measures in response to City's determinations regarding deficiencies in Tenant's operations and shall implement as expeditiously as possible measures that are approved by City.

b. **Remove Employees and Associates.** City shall have the right to require that Tenant remove from the Airport any employee or any of Tenant's Associates that City reasonably determines to be in violation of Section 4.L.iii or otherwise detrimental to City's interests at the Airport.

c. **Liquidated Damages.** City shall have the right to require Tenant to pay liquidated damages in connection with addressing any deficiency as further set forth in Exhibit C.

5. City's Rights and Obligations

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

B. Access to Premises. City for itself and its employees, officers, directors, agents, contractors, subcontractors, suppliers, invitees, volunteers and other representatives ("City's Associates") has the right to enter the Premises at any time without notice for any purpose relating to the Airport, provided that they shall not unreasonably interfere with Tenant's use of the Premises. City and City's Associates shall not be deemed guilty of a trespass or to have violated any of Tenant's rights hereunder by reason of any such entrance.

C. City's Right to Work Within, Alter, or Recover Premises. City has the right at the Airport to perform or cause to be performed any work (including, but not limited to, constructing improvements, surveying, performing environmental testing, removing any hazard or obstruction, and implementing any plan, program, or action), that City (in its sole discretion) determines to be in City's best interests, including, but not limited to, within the Premises. City may elect to pursue any such work without recovering the Premises from Tenant, in which case City shall exercise reasonable care to minimize disruptions to Tenant and the Premises. City also has the right to recover all or any portion of the Premises from Tenant in connection with any such work (with or without relocating Tenant) as City may determine in its sole discretion, and the following shall apply:

i. **Recovery.** If City determines to recover all or any portion of the Premises, City shall provide Tenant with thirty (30) days prior written notice specifying what areas will be recovered. If City recovers all of the Premises, or if any remaining portion of the Premises cannot be used for the purposes stated in this Agreement as determined by City, City may terminate this Agreement by including in such notice a notice of termination, and this Agreement shall terminate at the end of such thirty (30) day period.

ii. Relocation. If City elects to relocate Tenant, City shall designate a new location for the Premises, and Tenant shall move to such location at the time specified in City's notice.

iii. No Waiver. Nothing under this Section 5.C shall be construed to waive City's right to pursue any remedy for a breach of this Agreement arising from or relating to Tenant's use, occupancy, or operations at any portion of the Premises or at the Airport.

D. City's Right to Implement Airport Programs. City has the right to implement any lawful, reasonable, and nondiscriminatory program at the Airport as City may determine in its sole discretion, and to require Tenant to participate in or comply with any such program. Such programs may include, but are not limited to, providing common arrangements for trash disposal, utilities, or other Airport functions; providing revenue-generating activities at the Airport by City or its designee (including, but not limited to, vending machines, advertising, wireless communications, and utility services whether on or off of the Premises); designating approved vendors and service providers at the Airport; establishing central locations and security procedures for delivering goods or materials to the Airport; and establishing green building and other programs to benefit the environment and conserve energy.

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

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

6. Indemnity, Insurance, and Letter of Credit

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

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

C. Insurance. At Tenant's cost, Tenant shall procure the following insurance coverage prior to entering the Premises, and Tenant shall maintain its insurance coverage in force at all times when this Agreement is in effect in compliance with and subject to City's insurance requirements as they exist from time to time (including, but not limited to, the terms provided in Exhibit C):

i. Aircraft Liability with Additional Coverage. Aircraft liability insurance that includes premises liability, and, if applicable, mobile equipment coverage with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000) per occurrence (and one hundred thousand dollars (\$100,000) per passenger seat for applicable claims), including, but not limited to, contractual liability coverage for Tenant's performance of the indemnity agreement set forth in Section 6.A. If any such coverage is not available to Tenant in the form of an aircraft liability policy, Tenant shall obtain substantially similar coverage through a commercial general liability policy.

ii. Property. Tenant is solely responsible for Tenant's personal property and Tenant's obligations under this Agreement, and Tenant may purchase insurance for Tenant's personal property (or the Premises) as Tenant may determine.

iii. Automobile. If Tenant drives any automobile other than in the roadways and automobile parking areas at the Airport, comprehensive automobile liability coverage for claims and damage due to bodily injury or death of any person or property damage arising out of Tenant's ownership, maintenance, or use of any motor vehicles, whether owned, hired, or non-owned, of not less than five hundred thousand dollars (\$500,000) single combined limit "per accident" for bodily injury and property damage.

iv. Pollution. Tenant is responsible for environmental losses. Any pollution legal liability insurance obtained by Tenant shall comply with the requirements for insurance that are stated in this Agreement. If Tenant engages in self-fueling, Tenant shall comply with City's self-fueling requirements, including, but not limited to, pollution legal liability insurance requirements.

v. Aircraft. Tenant is solely responsible for any damage or loss to the Aircraft. Tenant shall obtain insurance coverage for the Aircraft as Tenant may determine.

vi. Business Interruption. Tenant is solely responsible for all costs of business interruption, however incurred, and Tenant may purchase business interruption insurance as Tenant may determine.

D. Performance Security. City reserves the right to require a performance security in a form and amount acceptable to City upon any material default by Tenant under this Agreement.

7. Hazardous Materials

A. No Violation of Environmental Laws. Tenant shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Premises or the Airport by Tenant or Tenant's Associates in violation of applicable Environmental Laws. Tenant is responsible for any such violation as provided by Section 6.A of this Agreement.

B. Response to Violations. Tenant agrees that in the event of a release or threat of release of any Hazardous Material by Tenant or Tenant's Associates at the Airport, Tenant shall provide City with prompt notice of the same. Tenant shall respond to any such release or threat of release in accordance with applicable Laws and Regulations. If City has reasonable cause to believe that any such release or threat of release has occurred, City may request, in writing, that Tenant conduct reasonable testing and analysis (using qualified independent experts acceptable to City) to show that Tenant is complying with applicable Environmental Laws. City may conduct the same at Tenant's expense if Tenant fails to respond in a reasonable manner. Tenant shall cease any or all of Tenant's activities as City determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Tenant or Tenant's Associates violate any Environmental Laws at the Airport (whether due to the release of a Hazardous Material or otherwise), Tenant, at Tenant's expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable Environmental Laws; (ii) submit to City a written remediation plan, and City reserves the right to approve such plan (which approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with City and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide to City copies of all documents pertaining to any environmental concern that are not subject to Tenant's attorney-client privilege.

C. Obligations Affecting Permits. To the extent that Tenant is a co-permittee with City in connection with any permit relating to the environment at the Airport, or to the extent that any of Tenant's operations in connection with this Agreement or otherwise may impact City's compliance with any such permit, Tenant shall work cooperatively with City and other tenants and take all actions necessary to ensure permit compliance, and minimize the cost of such compliance, for the benefit of Airport operations.

D. Obligations upon Termination and Authorized Transfers. Upon any expiration or termination of this Agreement (and this obligation shall survive any such expiration or termination), Tenant shall demonstrate to City's reasonable satisfaction that Tenant has removed any Hazardous Materials and is in compliance with applicable Environmental Laws. Such demonstration may include, but is not limited to, independent analysis and testing. The obligations of this Section 7 shall survive any termination of this Agreement.

8. Assignment, Sublease, and Other Interests. Tenant shall not assign any of its rights under this Agreement (whether such assignment is voluntarily or involuntarily, by merger, consolidation, dissolution, change in control, or any other manner) and shall not delegate any performance under this Agreement. Tenant shall not encumber or sublease any rights or interests in this Agreement, and shall not record this Agreement (or any document or interest relating thereto). Any purported assignment, delegation of performance, encumbrance, or sublease in violation of this Section 8 is void.

9. Damage, Destruction, and Condemnation

A. Damage or Destruction of Premises. If any portion of the Premises is damaged in any manner attributable to Tenant or Tenant's Associates, Tenant shall promptly remove from the Airport all debris and cause repairs to be made to restore the same to an orderly and safe condition, and Tenant shall not receive any abatement of Tenant's rent obligations. All work shall be performed in accordance with plans and specifications that are approved by City as being consistent with or better than the original improvements. Tenant shall apply all proceeds that are made available from Tenant's insurance policies (or those of any assignee) to performing such work. If City performs such work pursuant to Section 10.B, such insurance proceeds shall be paid to City. If any portion of the Premises is damaged in any manner that is not attributable to Tenant or Tenant's Associates, City, in its sole discretion, may elect to terminate this Agreement by delivering a written notice of termination to Tenant within thirty (30) days after such damage or destruction, and this Agreement shall terminate at the time specified in such notice. If City elects to terminate this Agreement, City shall abate rent as of the date of the damage or destruction. If City elects to repair such damage or destruction, City shall diligently proceed with the repair, and if the premises are untenable (as determined by City in its sole discretion), City shall abate rent allocable to such space from the time when the damage or destruction occurred until the substantial completion of repairs (as determined by City in its sole discretion). City may provide Tenant with temporary substitute space (if such space is available) and charge rent as City deems reasonable until repairs are completed.

B. Condemnation. In the event of any condemnation proceeding in which all or any part of the Premises is taken (by a condemnor other than City), all compensation from such proceeding shall be paid to City, except that Tenant may pursue a claim against the condemnor for the value of Tenant's leasehold interest. If City determines in its sole discretion that all or a material portion of the Premises will be (or has been) rendered untenable as a result of such taking, City may terminate this Agreement by giving Tenant a written notice of termination, and this Agreement shall terminate at the time specified in the notice (which shall not be less than thirty (30) days after the date of such notice).

10. Default

A. Tenant's Default. The occurrence of any of the following events shall constitute a default by Tenant under this Agreement: (i) Tenant fails to timely pay any installment of rent or any additional rent; (ii) Tenant violates any requirement under this Agreement (including, but not limited to, abandonment of the Premises) and fails to cure the same within twenty (20) days following written notice of such violation from City (except that in the case of insurance

coverage required to be maintained, such period shall be five (5) days); (iii) Tenant assigns or encumbers any right in this Agreement, delegates any performance hereunder, or subleases any part of the Premises (except as expressly permitted in this Agreement); (iv) Tenant files a petition in bankruptcy, becomes insolvent, or has a petition filed against Tenant in bankruptcy, insolvency, or for reorganization or appointment of a receiver or trustee which is not dismissed within sixty (60) days; or (v) Tenant petitions for or enters into an arrangement for the benefit of creditors, or suffers this Agreement to become subject to a writ of execution and such writ is not released within thirty (30) days.

B. Remedies. Upon any default by Tenant under this Agreement, City may (at any time) pursue any or all remedies available to City, including, but not limited to, the following: (i) perform in Tenant's stead any obligation that Tenant has failed to perform, and Tenant shall promptly pay to City all costs incurred by City for such performance, together with interest and service fees for any past due amounts (as provided in Section 10.C) and an administrative charge equal to twenty percent (20%) of the cost incurred by City (which the parties agree is a reasonable estimate of and liquidated damages for City's overhead expenses associated with such performance); (ii) terminate Tenant's rights under this Agreement upon delivering a written notice of termination; and (iii) re-enter and take possession of the Premises by any lawful means (with or without terminating this Agreement). Tenant shall pay all costs and damages arising out of Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, the cost of improving and reletting the Premises (including, but not limited to, any real estate broker fees or marketing costs), and attorneys' fees and costs. Notwithstanding any termination or re-entry, Tenant shall remain liable to pay the rent and additional rent required under this Agreement for the remaining term of this Agreement, and Tenant shall pay City on demand for any deficiency in the same. No action by City or City's Associates shall be construed as an election by City to terminate this Agreement or accept any surrender of the Premises unless City provides Tenant with a written notice expressly stating that City has terminated this Agreement or accepted a surrender of the Premises. Following a default by Tenant under this Agreement, City shall exercise commercially reasonable, good faith efforts to mitigate its damages as required by applicable Utah law.

C. Past Due Amounts. If Tenant fails to pay when due any amount required to be paid by Tenant under this Agreement, such unpaid amount shall bear interest at the rate of twelve percent (12%) per annum from the due date of such amount to the date of payment in full, with interest. In addition, City may also charge a sum of five percent (5%) of such unpaid amount as a service fee, which the parties agree is a reasonable estimate of and liquidated damages for City's additional costs for billing and collection arising from Tenant's failure to make payment in a timely manner. All amounts due under this Agreement are and shall be deemed to be rent or additional rent, and shall be paid without abatement, deduction, offset, prior notice, or demand (unless expressly provided by the terms of this Agreement). City's acceptance of any past due amount (or its associated interest or service fee) shall not constitute a waiver of any default under this Agreement.

D. Default by City. City shall not be in default under this Agreement unless City fails to perform an obligation required of City under this Agreement within twenty (20) days after written notice by Tenant to City. If the nature of City's obligation is such that more than

twenty (20) days are reasonably required for performance or cure, City shall not be in default if City commences performance within such twenty (20) day period and thereafter diligently prosecutes the same to completion. In no event may Tenant terminate this Agreement or withhold the payment of rent or other charges provided for in this Agreement as a result of City's default.

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

11. Expiration or Termination

A. Surrender of Premises. Upon any expiration or termination of this Agreement, Tenant, at Tenant's sole cost, shall (i) promptly and peaceably surrender to City the Premises "broom clean" and in good order and condition; (ii) repair in a good and workmanlike manner any damage to the Premises or the Airport that arises from or relates to Tenant's use, occupancy, or operations under this Agreement (including, but not limited to, while removing any property upon expiration or termination); (iii) deliver to City all keys and access credentials relating to the Airport; (iv) perform Tenant's environmental obligations as provided in Section 7; and (v) remove all property that is not owned by City, (except that Tenant must obtain City's prior written consent to remove any such property if Tenant is in default under this Agreement or if such removal may impair the structure of any building). Upon any expiration or termination of this Agreement (which includes, but is not limited to, termination for abandonment of the Premises), all property that Tenant leaves on the Premises shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by City without notice to, and without any obligation to account to, Tenant or any other person. Tenant shall pay to City all expenses incurred in connection with the disposition of such property in excess of any amount received by City from such disposition. Tenant shall not be released from Tenant's obligations under this Agreement in connection with surrender of the Premises until City has inspected the Premises and delivered to Tenant a written acceptance of such surrender.

B. Holding Over. If Tenant remains in possession of the Premises after any expiration or termination of this Agreement, such occupancy shall not waive any default under this Agreement and City may terminate such occupancy as a tenancy at will in accordance with state law. During such occupancy, Tenant shall comply with all provisions of this Agreement that are applicable to an at-will tenancy, and Tenant shall pay the following rent: ground rent at the highest rate then charged at the Airport.

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

12. General Provisions

A. General Provisions. This Agreement is subject to the General Provisions set forth at Exhibit D.

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

If to City:

Airport Manager
St. George Municipal Airport
175 E. 200 N.
St. George, Utah 84770

If to Tenant:

with a required, simultaneous copy to:

City Attorney
City of St. George
175 E. 200 N.
St. George, Utah 84770

with a required, simultaneous copy to:

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

C. Incorporation. All exhibits referred to in this Agreement, as they may be amended from time to time, are incorporated in and are a part of this Agreement. Tenant hereby acknowledges receiving Exhibits A – D to this Agreement.

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

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

CITY OF ST. GEORGE

[TENANT]

Daniel D. McArthur, Mayor

By:
Its:

Attest:

Gay Cragun, City Recorder

Approved as to form:

Shawn Guzman, City Attorney

EXHIBIT A
PREMISES

Property description of the Premises:

Tie down parcel number _____ (____) on the St. George Airport Tie Down Plat.
For informational purposes, such tie down parcel is depicted on the following page.

The remainder of this page has been intentionally left blank.

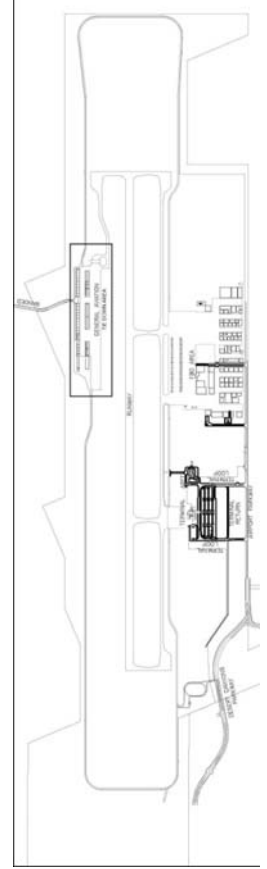
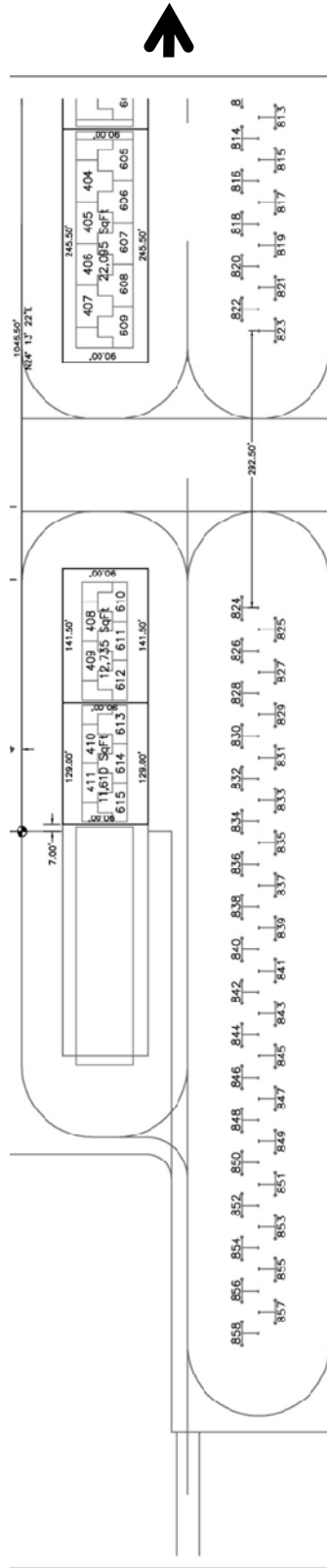
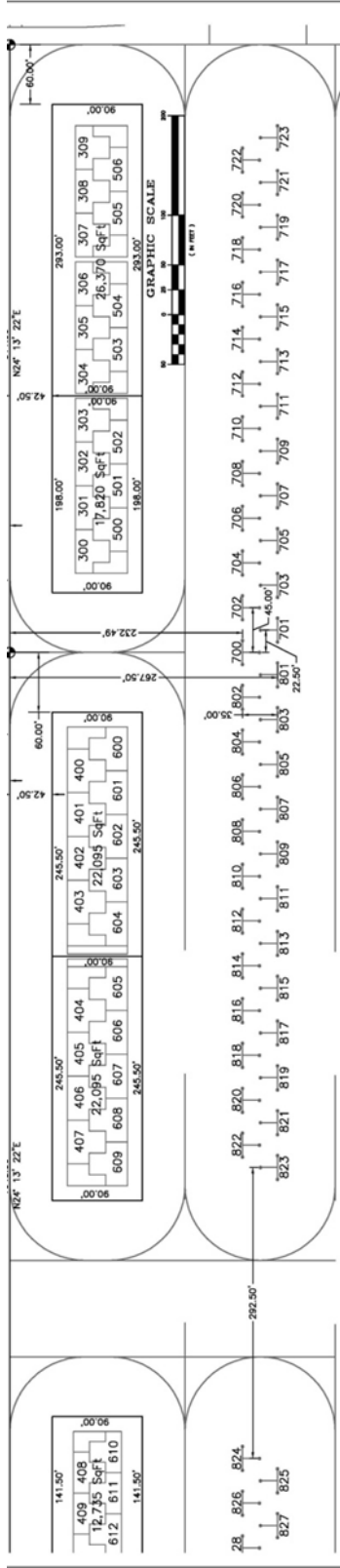


EXHIBIT B

RENT AND PAYMENT

B.1 Rent. Tenant shall pay rent pursuant to this Agreement in an amount equal to _____ Dollars (\$____.00) per month from the Commencement Date until the Expiration Date. Nothing in this Exhibit B, Section B.1 shall be construed to alter any other provision of this Agreement, including, but not limited to, the duration of this Agreement, the time for payment of rent, and any right to terminate this Agreement.

B.2 Payment of Any Amount Due. Any amount due in connection with this Agreement or the use of the Airport shall be subject to the following terms; provided, however, that if any obligation is subject to payment terms pursuant to City ordinance or other City requirements that directly conflict with the following terms, such ordinance or other City requirements shall govern.

a. Past Due Amounts. Past due amounts are subject to Section 10.C of this Agreement.

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

c. No Demand and Effect of Payment. All sums relating to this Agreement shall be due without prior notice or demand except when notice is necessary to make Tenant aware of the amount due if such amount is not otherwise set forth in this Agreement. Tenant shall make all payments without set-off or deduction. All sums paid by Tenant shall first be applied to any past due rent beginning with the most recent amount due. No statement on any check or elsewhere shall be deemed to create an accord and satisfaction. City may accept any payment without prejudice to City's rights to recover any sum or pursue other remedies provided by this Agreement or by law.

d. City Advances. If City pays any amount on behalf of Tenant (including, but not limited to, civil penalties assessed to City in connection with Tenant's use of the Airport) such amount shall constitute an advance by City to Tenant. Tenant shall promptly pay the same to the City upon receipt of an invoice for the same.

e. City Right to Apply. City shall have the right to apply any sums paid or provided by Tenant in connection with this Agreement to any obligation that Tenant owes to City in connection with the Airport, whether or not such obligation arises in connection with this Agreement.

f. Payment Address. Tenant shall make payments to City at the following address (or at such other address that City may designate in writing):

City of St. George
Finance Department
175 E. 200 N.
St. George, UT 84770

g. Reestablishment of Rates and Charges. Except for the rent stated in Exhibit B, Section B.1, City in its sole discretion may from time to time reestablish (or newly initiate) any type of rates and charges at the Airport (in a manner consistent with Laws and Regulations) to provide for the Airport's operations.

h. No Interest. City shall pay no interest on any sum that City pays to Tenant pursuant to this Agreement.

i. Audit. If any sum relating to this Agreement is due based on records or calculations maintained by Tenant, Tenant agrees that City shall have the right to inspect, copy, and audit all such records and calculations. Tenant shall make such records and calculations available to City at City's offices within twenty-four (24) hours after City delivers to Tenant a written request for the same. Tenant shall maintain such records and calculations for three (3) years (during which this Agreement is in effect). City agrees that an audit of such records and calculations shall occur no more frequently than once each year. If as a result of any such audit it is established that Tenant has overpaid any sum due, City shall promptly refund such overpayment. If such audit establishes that additional sums are due to the City, Tenant shall promptly pay such sums in accordance with the requirements of Section 10.C, and shall pay the reasonable cost of the audit if the audit establishes a collective discrepancy of more than five percent (5%) for all matters examined.

B.3 Liquidated Damages. Tenant agrees that City will be damaged if Tenant fails to comply with this Agreement. Therefore, in addition to any other remedies that City may have or damages that it may pursue, City may take the following actions and charge Tenant damages as stated below not as a penalty, but as liquidated compensatory damages to pay City's administrative costs associated with undertaking the specified act.

a. Requesting Compliance. If Tenant fails to comply with any obligation under this Agreement, City may charge Tenant one hundred dollars (\$100) for every written notice that City sends to Tenant requesting compliance.

b. Reestablishment of Damages. City reserves the right to reassess its costs from time to time in connection with taking the foregoing actions (or in connection with other actions that City takes to enforce this Agreement) and to reestablish the amount of the foregoing liquidated damages, or implement additional liquidated damages, based on City's cost increases.

EXHIBIT C

INSURANCE REQUIREMENTS

C.1. General Requirements. At all times when this Agreement is in effect Tenant shall maintain in force all required insurance coverage and shall have on file with the City Certificates of Insurance evidencing the same. Such certificates shall provide that coverage will not be canceled, suspended, voided, or reduced without at least thirty (30) days prior written notice to the City. Ratings for the financial strength of the companies providing Tenant's insurance policies shall be disclosed in such certificates and shall be "A- VII" or stronger as published in the latest Best's Key Rating Guide (or a comparable rating from a comparable rating service). If a lower rating is proposed, City may examine the financial strength of the insurance company proposed to provide coverage and may consent to a lower rating in the City's sole and absolute discretion, and City may also require additional assurances from Tenant. All certificates shall be signed by a person authorized by the insurer and licensed by the State of Utah. All policies (except any policies required for workers' compensation or errors and omissions) and the certificates evidencing coverage shall name City and its officers, employees, and volunteers as additional insureds (or in the case of property coverage, City shall be named as a loss payee). Tenant shall provide for a renewal of all insurance coverage on a timely basis to prevent any lapse in coverage. City retains the right to approve any deductibles, and Tenant shall notify City of any material erosion of the aggregate limits of any policy. Tenant's policies shall be primary. Such policies shall extend insurance to cover Tenant's contractual obligations under this Agreement.

C.2 Minimum Requirements. City's insurance requirements are minimum requirements, and Tenant is responsible to obtain adequate insurance coverage as Tenant may determine. Except as otherwise expressly set forth in this Agreement, Tenant assumes all risk under this Agreement (including, but not limited to, business interruption claims) whether or not insured.

C.3. Waiver of Subrogation. Notwithstanding any other provision contained in this Agreement, each of the parties hereby waives any rights of subrogation it may have against the other party for loss or damage from any risk that is covered by insurance (including, but not limited to, claims for business interruption). Each of the parties shall obtain a clause or endorsement providing for such waiver of subrogation in any policies of insurance required under this Agreement.

C.4. Terms Subject to Change. City, in its sole and absolute discretion, reserves the right to review and adjust at any time Tenant's required insurance limits, types of coverage, and any other terms applicable to insurance to insure against any risk associated with this Agreement or Tenant's use, occupancy, or operations at the Airport. Among other things, City may review any or all insurance coverage on a periodic basis and in connection with any specific activity or event associated with the Airport or proposed by Tenant.

C.5 Stopping Operations. Among City's remedies, if at any time Tenant's insurance coverage is not in effect as required herein, City may (but is not required to) stop all or any portion of Tenant's operations without liability to City until Tenant fully restores such coverage.

EXHIBIT D

GENERAL PROVISIONS

D.1 Governmental Provisions.

a. Nondiscrimination Regarding USDOT Programs. Tenant for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a U.S. Department of Transportation program or activity is extended, or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

b. Nondiscrimination Regarding Facilities, Improvements, and Federally-Funded Activities. Tenant for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities or any activity conducted with or benefiting from Federal assistance, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended, and other applicable Laws and Regulations, and shall obtain such compliance from any sublessees or other parties holding lower tier agreements (to the extent the same are permitted by this Agreement).

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

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

e. Subordination to City's Government Commitments. This Agreement is subordinate to the provisions of any agreement between City and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport improvements. In the event that the Federal Aviation Administration or other governmental authority requires any

modification to this Agreement as a condition of City entering any agreement or participating in any program applicable to the Airport (including, but not limited to, those providing funding), Tenant agrees to consent to any such modification. If a governmental authority determines that any act or omission of Tenant or Tenant's Associates has caused or will cause City to be non-compliant with any of City's government commitments (including, but not limited to, any assurances or covenants required of City or obligations imposed by law), Tenant shall immediately take all actions that may be necessary to preserve City's compliance with the same. Without liability to City, City shall have the right to terminate this Agreement and reenter and repossess any portion of the Premises if the U.S. Department of Transportation or other governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Tenant by such authority.

D.2. Subordination to Financing and Matters of Record. This Agreement is subordinate to the provisions of any agreements or indentures entered by City (regardless of when entered) in connection with any debt financing applicable to the Airport and is subordinate to any matter of record affecting the real property of the Airport.

D.3. Force Majeure. No act or event, whether foreseen or unforeseen, shall operate to excuse Tenant from the prompt payment of rent or any other amounts required to be paid under this Agreement. If City (or Tenant in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and that such party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.

D.4. Rights and Remedies. Except as expressly set forth in this Agreement, the rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist.

D.5. Attorneys Fees. If any action is brought to recover any rent or other amount under this Agreement because of any default under this Agreement, to enforce or interpret any of the provisions of this Agreement, or for recovery of possession of the Premises, the party prevailing in such action shall be entitled to recover from the other party reasonable attorneys fees, court costs, the fees of experts and other professionals, and other costs arising from such action (including those incurred in connection with any appeal), the amount of which shall be fixed by the court and made a part of any judgment rendered. Tenant shall be responsible for all expenses, including, but not limited to, attorneys fees, incurred by City in any case or proceeding involving Tenant or any permitted assignee of Tenant under or related to any bankruptcy or insolvency law. The provisions of this Section E.5 shall survive any expiration or termination of this Agreement.

D.6. Governing Law, Venue, and Waiver of Jury Trial. This Agreement and the respective rights and obligations of the parties shall be governed by, interpreted, and enforced in accordance with the laws of the State of Utah. Venue for any action arising out of or related to this Agreement or actions contemplated hereby may be brought in the United States District Court for Utah or the District Court for the State of Utah sitting in Washington County, Utah so long as one of such courts shall have subject matter jurisdiction over such action or proceeding, and each of the parties hereby irrevocably consents to the jurisdiction of the same and of the appropriate appellate courts there from. Process in any such action may be served on any party anywhere in the world. CITY AND TENANT EACH KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER FOR ALL MATTERS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY USE, OCCUPANCY, OR OPERATIONS AT THE PREMISES OR THE AIRPORT. The provisions of this Section E.6 shall survive any expiration or termination of this Agreement.

D.7. Amendments and Waivers. No amendment to this Agreement shall be binding on City or Tenant unless reduced to writing and signed by both parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.

D.8. Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates are not affected in any manner materially adverse to any party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.

D.9. Merger. This Agreement constitutes the final, complete, and exclusive agreement between the parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither party has relied on any statement, representation, warranty, nor agreement of the other party except for those expressly contained in this Agreement.

D.10. Art. Tenant shall not install any art of any kind at the Airport.

D.11. Confidentiality. Tenant acknowledges that City is subject to legal requirements regarding the public disclosure of records. Tenant shall comply with such laws in connection with making any request that City maintain a record confidentially, and if Tenant complies with the same Tenant shall have the right to defend any such request for confidentiality at Tenant's expense.

D.12. Relationship of Parties. This Agreement does not create any partnership, joint venture, employment, or agency relationship between the parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

D.13. Further Assurances. Each party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.

D.14. Miscellaneous. The headings in this Agreement are provided for convenience only and do not affect this Agreement's construction or interpretation. All references to Sections are to Sections in this Agreement. Each provision to be performed by Tenant shall be construed as both a covenant and a condition. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the drafting party. If Tenant consists of more than one individual or entity, the obligations of all such individuals and entities shall be joint and several. References in this Agreement to any period of days shall mean calendar days unless specifically stated otherwise.

D.15. Time of Essence. Time is of the essence of this Agreement.