GRAND COUNTY AIRPORT BOARD
REGULAR MEETING
AGENDA

March 20, 2023 @ 5:00 p.m.
County Commission Chambers, 125 E. Center Street
Moab, UT 84532

Join Zoom Meeting
https://us02web.zoom.us/j/85853116757?pwd=WmpYU0tYN0xPNS9ibEgyM1liR21UQT09
To join by phone: Dial (669) 900-6833 Meeting ID: 858 5311 6757 Passcode: 528365

A. Call to Order

B. General Business

1. Approve minutes of January 31, 2023 (Special meeting)
   (No quorum at 2-27-2023 meeting.)
2. Safety Report / Director's Report
3. Airport Monthly Data Report - February 2023

C. Citizens to be Heard

D. Discussion Items:

1. Project Reports
   a. SRE Building – Concrete work to begin
   b. Terminal Modification – Work is in progress
   c. ALP Update – Recommended development drawing
   d. 2023 Fencing project – Project under review by FAA
   e. ARFF truck repairs – ongoing
2. Discuss Redtail's preliminary plan to replace the current wash bay and Hangar A with a super-large hangar, capable of storing jets, and building a new wash bay for both rental car companies on a landside location.
3. U.S.D.O.T rejection of Skywest proposal and opening of new bid period (deadline March 21).
4. Rent Study is done.
5. Possible different location for new Airport Garage Company garages to be built.
6. Contracting with Vector to collect landing fees for the true number of aircraft landing at the airport. Also, discussing whether we should change our landing fee amounts.

E. Action Items: Discussion and Consideration (some for Recommendation to County Commission with approvals subject to limitation)

1. Two Redtail Agreements: The FSO Operating Agreement and the Fuel Agreement have had substantive revisions since the Board approved them on December 5, 2022). (the Office Space Agreement and the Retail Space Agreement did not have revisions since the Board approved them on December 5, 2022).
2. Approving Ground Lease for new FBO building.

3. Approving Car-Sharing contract with Turo.
4. Discuss/ Approve the dedication of CNY operations building in the name of Bill Groff.

F. Reports:

1. County Commission
2. City of Moab
3. Travel Council
4. Solar Committee
5. Other reports for Airport Board

G. Future Considerations

1. SITLA land swap

H. Closed Session, if necessary

I. Adjourn

Those with special needs requests wishing to attend Airport Board meetings are encouraged to contact the County two (2) days in advance of these events. Specific accommodations necessary to allow participation of disabled persons will be provided to the maximum extent possible. Requests, or any questions or comments can be communicated to: (435) 259-1346.

Posted by: Tara Collins
at the County Commission Chambers __________ Date __________ Time

GRAND COUNTY AIRPORT BOARD
SPECIAL MEETING
MINUTES

Tuesday, January 31, 2023 @ 5:00 p.m.
Only on ZOOM
Moab, UT 84532

A. Call to Order
   1. The meeting was called to order at 5:03 p.m.
   2. Members present on Zoom: Jody Patterson, Norm Knapp, Bill Hawley, Jason Taylor (Moab City Rep.), Shalee Bryant, Laurel Catto.
   3. Members not present: Jenny Gleason (Travel Council Rep.), Bill Winfield (County Rep.).

B. Others present: Airport Director Tammy Howland, Assistant Tara Collins.

C. Citizens to be Heard - None

D. Action Items: Discussion and Consideration

   1. Recommend to the County Commission that they approve a letter of recommendation regarding the Essential Air Service carrier.

      Tammy shared on screen a previous letter the Airport drafted from the County Commission to Mark Raggio at the U.S. Department of Transportation regarding SkyWest's Essential Air Service (EAS) contract. She said the notice went out for bids on December 12, 2022. This is all handled by the U.S. DOT, the Airport played no role in it. The DOT received one bid from SkyWest Airlines. Because they have a shortage of pilots, SkyWest's solution is to use the same jets as before (50-seat), but take 20 seats out, and fly them as a 30-seat jet. This allows them to fly as a 135 air carrier, instead of a 121. 121 requires higher certification standards for the pilots. They were considering shutting down 29 of their EAS routes, but the DOT said they could not do that. Tammy said it's not ideal, but there's not much else we can do.

      Shalee asked about having a second airline as well. Tammy said they could, but the chances of getting a second airline were slim to nil. To get an airline to service CNY outside of the EAS program, Grand County would have to offer a revenue guarantee, or offer compensation to the second airline. Tammy added that SkyWest's proposal is for 12 flights a week. Laurel asked about SkyWest's revenue, with offering only 30 seats, whether they could command higher prices due to supply and demand. Tammy said the EAS program limits what SkyWest can charge. The EAS offsets any revenue drop. If they fly an empty airplane, they still get paid. In response to Bill Hawley, Tammy said that the EAS contract does not preclude SkyWest from flying a jet with more seats, but their own corporate structure as the new SkyWest Charters would preclude them, because it specifies that they will be flying as a 135 carrier.

Tammy said this contract would still allow us to use our TSA services. Jody said it reminded him of when they went from a 135 service to a 121 service, and we had to upgrade runways, etc. Tammy said it was disappointing, but from a business standpoint, it makes sense. Tammy said we should request the minimum contract period of 2 years, to give them time to build up their pilot pool, and she thinks SkyWest would agree. Jody reviewed some numbers and data relevant to reaching the 10,000 minimum enplanements. Tammy added that we get section 135 enplanements from Redtail, and from the Net Jet. Tammy said this contract would go into effect July 1.

Motion by Shalee to recommend this 2-year proposed contract, seconded by Norm, approved 6-0.

Tammy thanked everyone for attending the special meeting, so that we could get the letter to the Commission by Feb. 7.

(Subsequent to this meeting, the U.S. DOT rejected SkyWest's proposal, and sent it out again for bid, with a deadline of March 21, 2023)

E. Closed Session, if necessary

F. Adjourn – The meeting was adjourned at 5:25 p.m.

Submitted by: Tara Collins

Airport Director Report for January 2023
Canyonlands Regional Airport (CNY)
02/27/2023

1. Safety & Security:
    a. Replaced obstruction light on Beacon Tower
    b. Snow Event – Jan 18th
    c. Intoxicated Passenger – escorted to town by S.O.
    d. Replaced back up batteries in drive-thru gate
    e. ARFF 1 repairs

2. Misc. Items:
    a. Water pumps froze – replaced motors, two days to recover
    b. 3 new ARFF training
    c. Replaced light bulbs in several parking lot lights

Flight Schedule

Mon., Tues, Wed. Thurs, Fri, Sat, Sun
United Airlines 5118 Arrival: 2:10 pm
Departure: 2:53 pm

Canyonlands Regional Airport - Monthly Billing Summary 2023

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
REDTAIL JET CENTER													
Fuel Flowage	$ 1,211.76	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,211.76**
Redtail Landing Fees	$ 38.40	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 38.40**
Landing Fees to G.A.	$ 605.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 605.00**
Lease Hangar A & B	[redacted]												
Terminal Lease - Office Space	$ 4,289.86												**$ 4,289.86**
Lease Fueling (bulk and self fuel)	$ 798.86												**$ 798.86**
Garbage	$ 63.00												**$ 63.00**
Water & Sewer	$ 55.00	$ 80.00											**$ 135.00**
Billboard (Pinnacle)	$ 204.00												**$ 204.00**
													$0.00
Redtail Air Total	**$ 7,265.88**	**$ 80.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,345.88**
Canyonlands Car Rental													
10% Gross Sales or Minimum	$ -	$ 381.70	$ -										**$ 381.70**
Canyonlands Car Total	**$ -**	**$ 381.70**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 381.70**
Enterprise Car Rental													
10% Gross Sales	$ 4,531.88	$ -	$ -									$ -	**$ 4,531.88**
Enterprise Total	**$ 4,531.88**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,531.88**
SkyWest													
Landing Fees	$ 987.00	$ 987.00	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,974.00**
Office & Space Lease	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	$ 2,727.91	**$ 32,734.92**
SkyWest Total	**$ 3,714.91**	**$ 3,714.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 2,727.91**	**$ 34,708.92**
Skydive Moab													
Landing Fees	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Landing Zone Maintenance Fee	N/A	N/A	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00	$ 100.00		$ -	**$ 800.00**
#112/114 Skydive Hangar (annual renewal in October)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 960.10	$ -	$ -	**$ 960.10**
Garbage	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	$ 38.40	**$ 460.80**
Water & utilities	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	$ 60.00	**$ 720.00**
Billboards	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	**$ 12,096.00**
Skydive Moab Total	**$ 1,106.40**	**$ 1,106.40**	**$ 1,206.40**	**$ 1,206.40**	**$ 1,206.40**	**$ 1,206.40**	**$ 1,206.40**	**$ 1,206.40**	**$ 1,206.40**	**$ 2,166.50**	**$ 1,106.40**	**$ 1,106.40**	**$ 15,036.90**
G.S.A. (TSA)													
Garbage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Water & Utilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Office & Space Lease	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	$ 1,025.00	**$ 12,300.00**
GSA Total	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 1,025.00**	**$ 12,300.00**
MOAB EXPRESS	(4' x 4' = 16 sq. ft. X $3.25 / sq. ft. per month)												
Terminal Floor Space Lease	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 52.00	**$ 624.00**
GSA Total	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 52.00**	**$ 624.00**

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Moab Heli X - Desert Sky, LLC.													

Landing Fees	$ 7.50	$ 5.63	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 13.13**
Ground Lease	$ -		$ 962.37										
Trailer Storage*12		$ 200.00											
Water & Sewer	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	$ 80.00	**$ 960.00**
Garbage	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	$ 37.00	**$ 444.00**
	$ 124.50	**$ 322.63**	**$ 1,079.37**	**$ 117.00**	**$ 117.00**	**$ 117.00**	**$ 117.00**	**$ 117.00**	**$ 117.00**	**$ 117.00**	**$ 117.00**	**$ 117.00**	**$ 2,579.50**
Canyonlands Ballooning/Eagle West LLC													
#116 Lou Bartell (Eagle N Shore)	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,487.91	$ -	$ -	$ -	$ -	$ -	**$ 1,487.91**
Sewer and Water	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	**$ 480.00**
Garbage	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	$ 18.38	**$ 220.50**
Total	**$ 40.00**	**$ 40.00**	**$ 40.00**	**$ 40.00**	**$ 40.00**	**$ 40.00**	**$ 1,527.91**	**$ 40.00**	**$ 40.00**	**$ 40.00**	**$ 40.00**	**$ 40.00**	**$ 1,967.91**
Hangar Leases													
#102/104 Dell Keys	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 506.60	$ -	**$ 506.60**
#106 Jay Zuckerman	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 208.34	**$ 208.34**
#108 Ken Lord													**$ -**
#120 CC Rentals Doug Carroll	$ -	$ -	$ -	$ -	$ -	$ 1,969.67	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,969.67**
#122 Dust Devil - Fleischman	$ -	$ -	$ -	$ -	$ -	$ 1,109.79	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,109.79**
#124 FUTURE	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
#126 Mandes	$ 2,401.91	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 2,401.91**
#128 Hawley Private Hangar	$ 1,058.70	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,058.70**
#130 Arches Aviation - Byrd	$ 3,040.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,040.00**
#132 Snow	$ -	$ -	$ -	$ 2,443.32	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 2,443.32**
#136 Hawley T-Hangar	$ 2,977.10	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 2,977.10**
Total	**$ 9,477.71**	**$ -**	**$ -**	**$ 2,443.32**	**$ -**	**$ 3,079.46**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 506.60**	**$ 208.34**	**$ 15,715.43**
OTHER AGREEMENTS													
AirInc	$ -	$ -	$ -	$ 2,289.60	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 2,289.60**
Vaissailla	$ -	$ -	$ -	$ -	$ -	$ 900.00	$ -	$ -	$ -	$ -	$ -	$ -	**$ 900.00**
USGS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 258.31	**$ 258.31**
Airport Garages (George Prather)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,862.56	$ -	$ -	$ -	$ -	**$ 1,862.56**
	$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 258.31**	**$ 258.31**
Canyonlands Regional Monthly Total													
	$23,868.91	**$ 2,273.15**	**$ 5,944.56**	**$ 7,444.38**	**$ 5,001.06**	**$ 8,080.52**	**$ 6,488.97**	**$ 5,001.06**	**$ 5,001.06**	**$ 5,961.16**	**$ 5,507.66**	**$ 5,467.71**	**$ 86,040.20**

Airport Rent Study

Grand County, Utah

Canyonlands Regional Airport

March 8, 2023

March 8, 2023

Tammy Howland
Airport Director
Canyonland Regional Airport
110 West Aviation Way
Moab, Utah 84532

RE: Airport Rent Study

Dear Tammy:

This summary report conveys Aviation Management Consulting Group (AMCG) and Decker Associates' (AMCG team's) opinion of market rent for certain aeronautical and non-aeronautical land located at Canyonlands Regional Airport which is currently leased or available for lease from Grand County.

The AMCG team is pleased to have been called on to conduct this study (which excluded a physical inspection of the Subject Properties) and provide an opinion of market rent. Please contact me if you have any questions pertaining to this analysis or the conclusions reached.

Helping your aviation management excellence,

David C. Benner, C.M.
Managing Consultant
Aviation Management Consulting Group

Robert D. Decker, MAI
Appraiser
Decker Associates
Utah Temp License No. 5479949-TCGO

I. EXECUTIVE SUMMARY

Airport:	Canyonlands Regional Airport 110 West Aviation Way Moab, Utah 84532
Scope of Work:	This summary report conveys Aviation Management Consulting Group (AMCG) and Decker Associates' (AMCG team's) opinion of market rent for aeronautical and non-aeronautical land (Subject Properties) located at Canyonlands Regional Airport which are currently leased or available for lease from Grand County.
Subject Properties:	The components of the Subject Properties include Aeronautical Improved Land, Aeronautical Unimproved Land, and Non-Aeronautical Land.
Date of Report:	March 8, 2023
Effective Date:	January 10, 2023
Methodology:	An opinion of market rent for the Aeronautical Land (Improved and Unimproved) was developed based on an analysis of the information and data obtained for similar properties from national, regional, comparable, resort/destination, and competitive airports (which is summarized in Section VI. Study Findings). An opinion of market rent for the Non-Aeronautical Land was developed based on an analysis of the information and data obtained for similar properties in the local area (used for non-aeronautical, off-airport purposes). This information is summarized in Section VI. Study Findings.
Rental Rate Conclusions:	Table 1 identifies the AMCG team's opinion of market rent for the Subject Properties.

Table 1 – Rental Rate Conclusions

Rental Rate Conclusions Summary			
Component	Identification	Size (SF)	Market Rent Opinion
Aeronautical Improved Land	Zone 1	Up to 49,999	$0.40
		50,000 - 249,999	$0.38
		250,000 - 999,9999	$0.42
		1,000,000 and greater	$0.28
	Zone 2	Up to 49,999	$0.38
		50,000 - 249,999	$0.36
		250,000 - 999,9999	$0.40
		1,000,000 and greater	$0.26
	Zone 3	Up to 49,999	$0.36
		50,000 - 249,999	$0.34
		250,000 - 999,9999	$0.38
		1,000,000 and greater	$0.24
Aeronautical Unimproved Land	Zone 1	Up to 49,999	$0.30
		50,000 - 249,999	$0.29
		250,000 - 999,9999	$0.32
		1,000,000 and greater	$0.21
	Zone 2	Up to 49,999	$0.29
		50,000 - 249,999	$0.27
		250,000 - 999,9999	$0.30
		1,000,000 and greater	$0.20
	Zone 3	Up to 49,999	$0.27
		50,000 - 249,999	$0.26
		250,000 - 999,9999	$0.29
		1,000,000 and greater	$0.18
Non-Aeronautical Land	Zone 4		$0.70
	Zone 5		$0.50
	Zone 6		$0.30

All rental rates are “per square foot per year” (psf/yr)

II. INTRODUCTION

A. Scope of Work

This summary report conveys Aviation Management Consulting Group (AMCG) and Decker Associates' (the AMCG team) opinion of market rent for certain aeronautical and non-aeronautical land (Subject Properties) located at the Canyonlands Regional Airport (Airport) which is currently leased or available for lease from Grand County (County).

B. Market Rent Defined

Market rent is defined as the most probable rent which a property should bring in a competitive and open market (i.e., willing lessor and willing lessee) reflecting the terms and conditions of a specified lease agreement, including the rental adjustment mechanisms, permitted uses, use restrictions, expense obligations, term, renewal and purchase options, and tenant improvements.

C. Project Approach

To achieve the scope of work, AMCG completed the following work plan:

1. developed a profile of the Airport,
2. identified comparable and competitive airports utilizing the profile of the Airport,
3. obtained rental rates (and related information) for aeronautical uses from the Airport as well as comparable, resort/destination, and competitive airports identified,
4. analyzed the data obtained from the Airport as well as comparable, resort/destination, and competitive airports,
5. analyzed national and regional data,
6. obtained and analyzed data from off-airport, non-aeronautical land sales; and
7. developed an opinion of market rents for the Subject Properties based on the preceding analysis in conjunction with the Limiting Conditions outlined in the Appendix.

Due to the potential use of the Subject Properties (aeronautical vs. non-aeronautical), the AMCG team utilized two different approaches to derive an opinion of market rent. Consistent with the Federal Aviation Administration (FAA) Regulation Identifier Number (RIN) 2120-AF90, *Policy Regarding Airport Rates and Charges*, states that "rates, fees, rentals, landing fees, and other service charges ('fees') imposed on aeronautical users for the aeronautical use of the airport ('aeronautical fees') must be fair and reasonable." As such, the market rent opinions outlined in this *Airport Rent Study* are fair, reasonable, and can be consistently applied to the aeronautical-use land. Conversely, the FAA has generally interpreted the self-sustaining assurance to require airport sponsors to charge FMV [fair market value] for non-aeronautical uses of airport property as outlined in the FAA Order 5190.6B *Airport Compliance Manual*.

As such, the AMCG team analyzed land sales in the local area to determine a reasonable off-airport value as a basis for determining an opinion of market rent for Non-Aeronautical Land.

In drawing opinions of market rent for the Subject Properties, consideration was given to those factors that typically affect market rents for on-airport, aeronautical and non-aeronautical properties (e.g., property use, attributes, restrictions, limitations, etc.). Beyond this, the AMCG team's opinion of market rent for the aeronautical Subject Properties has been formed based on a comparative analysis of current rents for aeronautical-use properties at national, regional, comparable, resort/destination, and competitive airports. The rental rates currently charged for the Subject Properties by the County were not included in the national, regional, comparable, resort/destination, or competitive analysis. As such, those rates were not utilized to develop the opinion of market rent.

Market rents for off-airport properties were not utilized to determine market rent for aeronautical properties as this approach is highly problematic due to the different types of use. Off-airport properties and on-airport, aeronautical properties do not exhibit the same bundle of rights. It is very difficult, if not impossible, to determine the adjustment applied to unencumbered off-airport rental rates to reflect the constraints imposed by the FAA, the airport sponsor, and others pertaining to the development and/or use of on-airport, aeronautical properties. Conversely, on-airport, aeronautical properties provide access and use of the Airport infrastructure. The adjustment would need to reflect the fact that on-airport, aeronautical properties do not exhibit the same bundle of rights as off-airport properties.

When rendering an opinion of market rent for on-airport, aeronautical properties, the cost of the real property (land and/or improvements) and desired rates of return are not typically considered. While these factors may be considered when rendering an opinion of market rents for off-airport properties or may be considered by real estate investors, these factors are generally not consistent with the realities of the prevailing market for on-airport, aeronautical properties. Therefore, the AMCG team's opinion of on-airport, aeronautical market rents were not derived based on the cost of real property or desired rates of return for the aeronautical Subject Properties.

D. Key Underlying Assumptions

The market rent opinions conveyed in this summary report are based on the lessee having full and continued access to the Airport's airside (aeronautical Subject Properties only) and landside infrastructure.

Market rents are driven by the amount a willing buyer (lessee) pays to a willing seller (lessor) to rent or lease a property. To the extent that local economic factors affect rental rates at the national, regional, comparable, resort/destination, and competitive airports, these economic factors will be reflected in the rental rate conclusions. As such, AMCG has identified and analyzed (on a comparative basis) the rents charged and paid for similar aeronautical properties (by component) at a cross-section of airports to derive the market rent opinions for the Subject Properties.

AMCG recognizes that there are differences between the Airport and the comparable airports. Some of the comparable airports exhibit superior characteristics and some exhibit inferior characteristics. To identify airports that were considered most comparable to the Airport and draw conclusions that reflect the conditions at the Airport, the comparable airports were compared with the Airport using aeronautical activity and infrastructure indicators.

The following report summarizes the AMCG team's findings and opinions.

III. COMMUNITY OVERVIEW

A. Airport Sponsor

The Airport is owned and operated by the County with an Airport Advisory Board consisting of seven voting members and one non-voting member. The purpose of the Airport Advisory Board is to advise and make recommendations to the County and the Board of Commissioners on policy matters as it relates to operation and management of the Airport.

B. Geographic Location

The Airport is located approximately 15 miles northwest of the central business district of the City of Moab (City).

Figure 1 – Geographic Location

C. Demographics

The population of the County has increased a total of 7.2% which results in a compounded annual increase of 0.6% from 8,987 in 2010 to 9,630 in 2021 (U.S. Census Bureau Estimate).

D. Business and Industry

The largest employment sectors of the County are (1) construction, (2) accommodation and food services, and (3) arts, entertainment, and recreation. These employment sectors account for 36.6% of employment in the County.

E. Economic Factors

The civilian labor force of the County has increase from 8,924 in 2010 to 9,718 in 2021 (U.S. Census Bureau Estimate), which represents a total increase of 8.9% or a compounded increase of 0.8%.

As identified by the U.S. Bureau of Labor Statistics, the unemployment rate of the County was estimated at 4.5% (December 2022) which was higher than the U.S. national unemployment rate which was approximately 3.5%.

IV. SUBJECT AIRPORT OVERVIEW

A. Airport Description

The Airport, which consists of approximately 985 acres of land, has 2 runways, as follows:

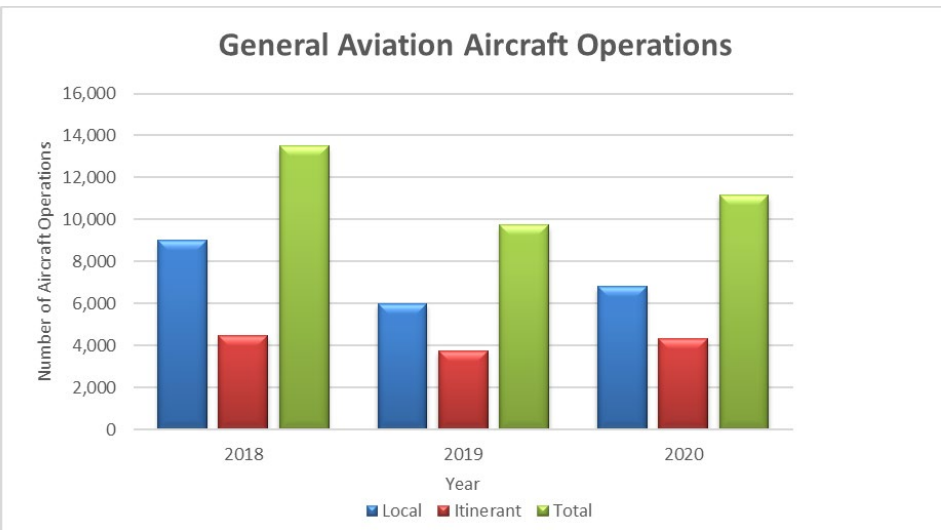
- Runway 03/21: 7,360 feet long and 100 feet wide, grooved asphalt in good condition.
- Runway 15/33: 2,121 feet long and 60 feet wide, dirt and unpaved.

The Airport does not have an Air Traffic Control Tower and is served by multiple non-precision approaches (LOC, RNAV – GPS, VOR/DME). The Airport is designated a Primary Commercial Service Nonhub Airport in the FAA *National Plan of Integrated Airports System (NPIAS)*.

B. Aircraft Operations

Figure 2 depicts the general aviation aircraft operations (by category – local, itinerant, and total) at the Airport from 2018 to 2021, as reported by FAA Master Record 5010.

Figure 2 – General Aviation Aircraft Operations



As shown in Table 2, total general aviation aircraft operations at the Airport have decreased from 13,500 in 2018 to 11,150 in 2020. This represents a total decrease of 17.4% and a compounded annual decrease of 9.1%.

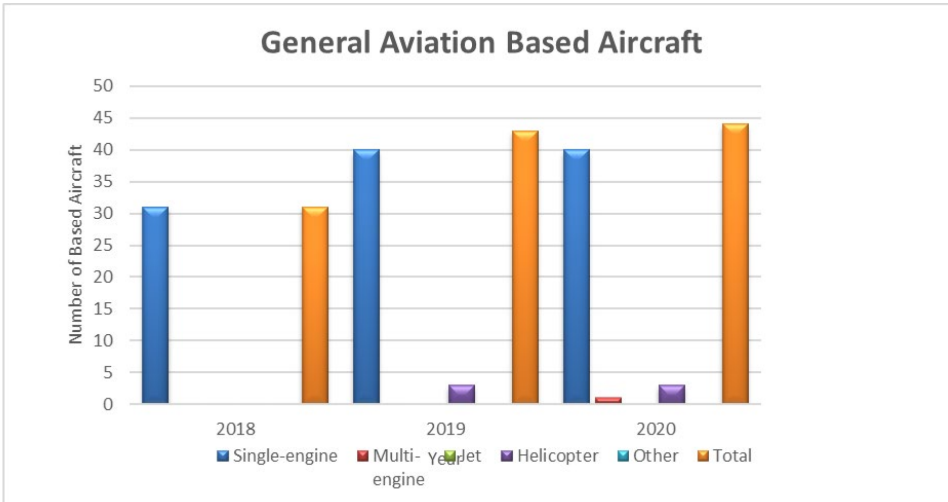
Table 2 – General Aviation Aircraft Operations

General Aviation Aircraft Operations				
Year	Local	Itinerant	Total	% Change
2018	9,000	4,500	13,500	N/A
2019	6,000	3,750	9,750	-27.8%
2020	6,800	4,350	11,150	14.4%

C. Based Aircraft

Figure 3 illustrates the number of based aircraft at the Airport from 2018 to 2020, as reported by the FAA Master Record 5010.

Figure 3 – General Aviation Based Aircraft



As shown in Table 3, 44 aircraft are currently based at the Airport. From 2018 to 2020, the number of total aircraft based at the Airport increased a total of 42.0%, or a compounded annual increase of 19.1%.

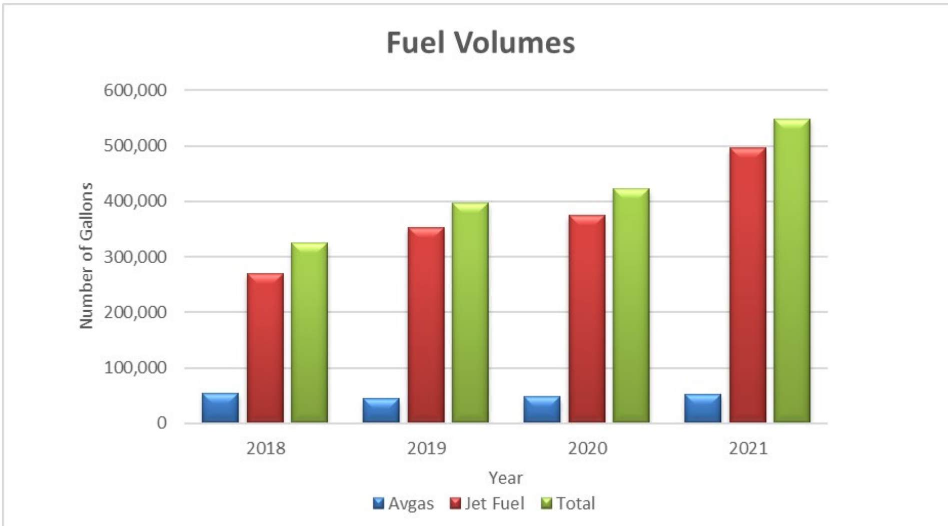
Table 3 – General Aviation Based Aircraft

General Aviation Based Aircraft						
Year	Single-engine	Multi-engine	Jet	Helicopter	Total	% Change
2018	31	0	0	0	31	N/A
2019	40	0	0	3	43	38.7%
2020	40	1	0	3	44	2.3%

D. Fuel Volumes

Figure 4 depicts total fuel volumes (by type – jet fuel and avgas) at the Airport from 2018 to 2021, as reported by Airport management.

Figure 4 – General Aviation Fuel Volumes



As depicted in Table 4 total fuel volumes increased from 324,292 gallons in 2018 to 548,870 gallons in 2021, which represents a total increase of 69.3% or a compounded annual increase of 19.2%. Additionally, approximately 87.8% of the fuel volume is jet fuel.

Table 4 – General Aviation Fuel Volumes

Fuel Volumes				
Year	Avgas	Jet Fuel	Total	% Change
2018	53,960	270,332	324,292	N/A
2019	44,460	352,763	397,223	22.5%
2020	47,616	374,628	422,244	6.3%
2021	52,494	496,376	548,870	30.0%

E. Commercial Operators

One fixed base operator (Redtail Air) provides fueling (jet and avgas), line services, aircraft parking (hangar and tiedown), and aircraft maintenance.

V. SUBJECT PROPERTIES OVERVIEW

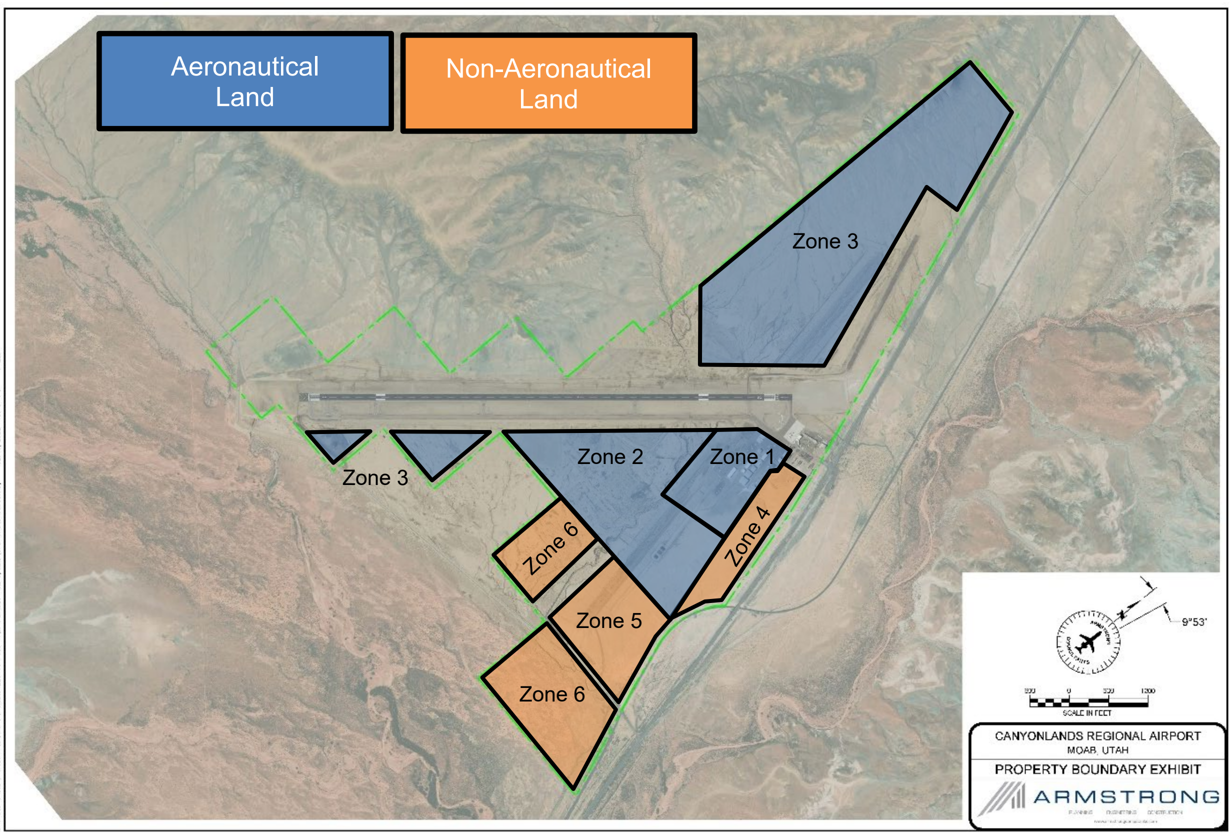
A. Subject Properties

The Subject Properties consists of Aeronautical Land (Improved and Unimproved) and Non-Aeronautical Land located at the Airport that is leased or available for lease from the County. The Subject Properties are summarized in Table 5 and Figure 5.

Table 5 – Subject Properties Overview

Subject Properties Overview			
Component	Identiifcation	Size (SF)	Access
Aeronautical Land	Zone 1	Varies	Good
	Zone 2		Average
	Zone 3		Fair
Non-Aeronautical Land	Zone 4		Average
	Zone 5		Fair
	Zone 6		Poor

Figure 5 – Subject Properties Map



For reference purposes only

VI. STUDY FINDINGS

Information and data from similar properties at the Airport and national, regional, comparable, resort/destination, and competitive airports was analyzed to derive an opinion of market rent for the Aeronautical Land. The results of the analysis are summarized in this section. Definitions of the Minimum, Maximum, Mean, Standard Deviation, Median, and Range (utilized in the following tables) are provided in the Appendix.

A. National Data

Rents obtained over the last 10 years from more than 700 airports located throughout the United States were analyzed. A summary and statistical analysis of the findings for national airports is provided in Table 6.

Table 6 – National Airport Data Summary

National Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Aeronautical Improved Land	$0.04	$1.69	$0.36	$0.26	$0.30	$1.65
Aeronautical Unimproved Land	$0.01	$1.06	$0.30	$0.20	$0.25	$1.05

All rental rates are "per square foot per year" (psf/yr)

B. Regional Data (FAA Northwest Mountain Region)

Rents obtained over the last 10 years from more than 110 airports in the FAA Northwest Mountain Region (consisting of Colorado, Idaho, Montana, Oregon, Utah, Washington, Wyoming) were analyzed. A summary and statistical analysis of the findings for regional airports is provided in Table 7.

Table 7 – Regional Airport Data Summary

Regional Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Aeronautical Improved Land	$0.05	$1.10	$0.33	$0.22	$0.25	$1.05
Aeronautical Unimproved Land	$0.05	$0.90	$0.41	$0.21	$0.38	$0.85

All rental rates are "per square foot per year" (psf/yr)

C. Comparable Airport Data

The first step in identifying comparable airports is developing an accurate profile of the Airport. The profile was developed based on data available from various sources, including the FAA. The Airport profile provided the basis for establishing the criteria and parameters for identifying comparable airports.

The selection of comparable airports was based on aeronautical activity and infrastructure criteria including historic activity levels, total based aircraft, the absence of a control tower and precision instrument approach, runway length, total airport acreage, and FAA *National Plan of Integrated Airport Systems* (NPIAS) classification. Parameters were then established in each of these areas to facilitate the selection process.

While a total of 11 airports were considered comparable to the Airport, rental rates and useable information from 8 airports were obtained and analyzed, as shown in Table 8.

Table 8 – Comparable Airports

Comparable Airports		
Airport	**Identifier**	**Location**
Cortez Municipal Airport	CEZ	Cortez, Colorado
Grant County Airport	SVC	Hurley, New Mexico
Imperial County Airport	IPL	Imperial, California
Laramie Regional Airport	LAR	Laramie, Wyoming
Page Municipal Airport	PGA	Page, Arizona
Show Low Regional Airport	SOW	Show Low, Arizona
Sidney-Richland Airport	SDY	Sidney, Montana
Glasgow Valley County Airport	GGW	Glasgow, Montana

Table 9 provides a summary and statistical analysis of the findings for the comparable airports.

Table 9 – Comparable Airport Data Summary

Comparable Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Aeronautical Improved Land	$0.10	$0.40	$0.25	$0.10	$0.25	$0.30
Aeronautical Unimproved Land	$0.05	$0.40	$0.23	$0.25	$0.23	$0.35

All rental rates are “per square foot per year” (psf/yr)

D. Resort/Destination Airports

The information and data collected from resort/destination airports will convey the rent structure and rental rates at airports serving similar markets catering to recreation, entertainment, and accommodations.

While a total of 12 airports have been identified as resort/destination airports, rental rates and useable information from 9 airports were obtained and analyzed as shown in Table 10.

Table 10 – Comparable Airports

Resort/Destination Airports		
Airport	**Identifier**	**Location**
Cedar City Regional Airport	CDC	Cedar City, Utah
Glacier Park International	GPI	Kalispell, Montana
Jackson Hole Airport	JAC	Jackson, Wyoming
Lake Tahoe Airport	TVL	Lake Tahoe, California
Memorial Field Airport	HOT	Hot Springs, Arkansas
Rifle Garfield County Airport	RIL	Rifle, Colorado
St. George Regional Airport	SGU	St. George, Utah
Telluride Regional Airport	TEX	Telluride, Colorado
Yellowstone Airport	WYS	Yellowstone, Montana

Table 11 provides a summary and statistical analysis of the findings for the resort/destination airports.

Table 11 – Resort/Destination Airport Data Summary

Resort/Destination Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Aeronautical Improved Land	$0.09	$0.62	$0.32	$0.18	$0.29	$0.53
Aeronautical Unimproved Land	$0.20	$0.32	$0.26	$0.05	$0.25	$0.12

All rental rates are "per square foot per year" (psf/yr)

E. Competitive Airport Data

Typically, an airport is considered competitive if located in proximity to the Airport and serves a similar market. Each airport identified is then compared to the Airport based on (1) infrastructure and (2) available products, services, and facilities.

For the purposes of this study, airports within 100 nautical miles of the Airport were identified as being potentially competitive airports. While a total of 11 airports were considered competitive to the Airport, rental rates and useable information from 4 airports were obtained and analyzed, as shown in Table 12:

Table 12 – Competitive Airports

Competitive Airports		
Airport	**Identifier**	**Location**
Blake Field	AJZ	Delta, Colorado
Grand Junction Regional Airport	GJT	Grand Junction, Colorado
Roosevelt Municipal Airport	74V	Roosevelt, Utah
Telluride Regional Airport	TEX	Telluride, Colorado

Table 13 provides a summary and statistical analysis of the findings for the competitive airports.

Table 13 – Competitive Airport Data Summary

Competitive Airport Data Summary						
Component	Minimum	Maximum	Mean	Standard Deviation	Median	Range
Aeronautical Improved Land	$0.10	$0.51	$0.28	$0.21	$0.23	$0.41
Aeronautical Unimproved Land	$0.15	$0.15	$0.15	N/A	N/A	N/A

All rental rates are "per square foot per year" (psf/yr)

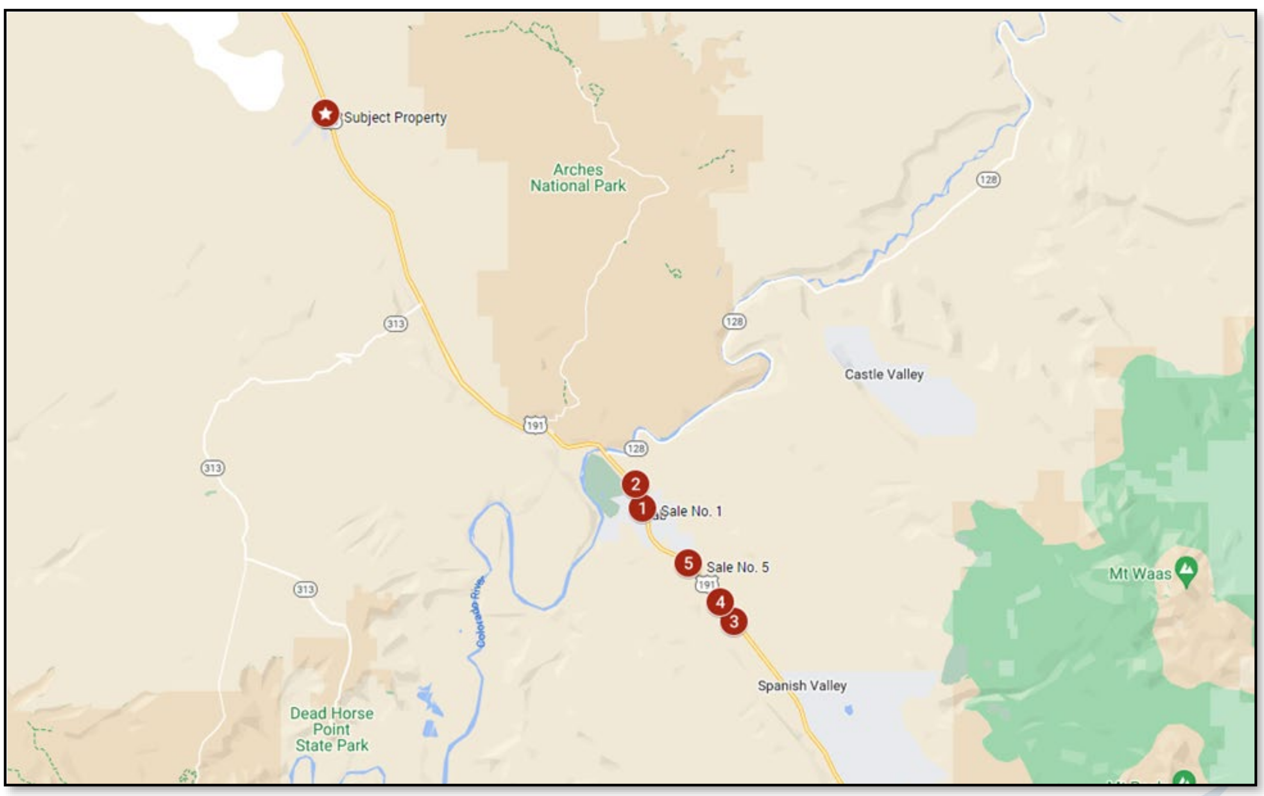
F. Non-Aeronautical Land

To derive conclusions for Non-Aeronautical Land, a survey of land sales in the Moab area was conducted. It is significant to note there is a limited number of larger land parcel sales that have occurred in recent years. As such, the AMCG team has included off-airport land sales with various zonings. A summary of the sales data is provided in Table 14.

Table 14 – Land Sales Summary

Land Sales Summary								
Sale Number	Location and Assessor Parcel Number	Sale Date	Zone Use	Size		Price		
				SF	Acres	Total	PSF	Per Acre
Subject Property	Non-Aeronautical Land at Canyonlands Regional Airport	N/A	Airport Conditional Use	Varies		N/A	N/A	N/A
1	2882 S. Hwy 191 Moab, Utah 84532	Dec-20	HC Salvage Yard	26,136	0.60	$500,000	$19.13	$833,333
2	2690 S. Hwy 191 Moab, Utah 02-0020-0099	Feb-21	HC Medical Office Building	26,136	0.60	$525,000	$20.09	$875,000
3	990 N. Main Street Moab, Utah 01-0036-0026	Mar-19	GC Motel	56,628	1.30	$1,505,400	$26.58	$1,158,000
4	193 Walnut Lane Moab, Utah 01-0001-0106 / 01-0001-0229	Nov-18	R4 Mobile Home Park	128,502	2.95	$1,800,000	$14.01	$610,169
5	1480 S. Hwy 191 Moab, Utah	May-21	HC Light Industrial	136,343	3.13	$1,200,000	$8.80	$383,387

Figure 6 – Land Sales Location Map



VII. RENTAL RATE SUMMARY

A. Introduction

The rental rate conclusions (effective January 10, 2023 which is consistent with the date of final property information provided and agreement on the research airports) are based on the analysis of the Subject Properties and (1) the rents being charged for similar properties at national, regional, comparable, resort/destination, and competitive airports or (2) information and data for similar properties in the local area used for off-airport purposes. The market rental rate conclusions are conveyed on a “per square foot per year” (psf/yr) basis.

B. Aeronautical Land Rental Rate Conclusions

To derive an opinion of market rent for the Aeronautical Land, information and data from similar properties at national, regional, comparable, resort/destination, and competitive airports was analyzed.

Throughout the following analysis, more weight has been given to the comparable airports, resort/destination airports, and competitive airports as the amenities and attributes and/or location of these airports and similar properties align with the Airport and the Subject Properties. As such, the rental rates at these airports are more reflective of relevant and useable data to establish rental rate conclusions for the Airport.

The average national, regional, comparable, resort/destination, and competitive rental rates are representative of airport properties with average airside and landside access.

Each of these attributes is rated using the following descriptors: poor, fair, average, good, and excellent. Once a base rental rate was derived for the Airport, specific conclusions were estimated for each component of the Subject Properties based on size and access. For the purposes of this analysis, size adjustments were developed, where appropriate, based on an analysis of AMCG’s proprietary industry database (for all airports nationally). This process included an analysis of more than 4,500 data points correlating size ranges to existing rental rates compared to the national average rental rate.

1. Aeronautical Improved Land

The results of the study indicate that the average rental rates for Aeronautical Improved Land range from $0.25 psf/yr at comparable airports to $0.36 psf/yr at national airports. The average rental rate at competitive airports was $0.28 psf/yr and $0.33 psf/yr at regional airports. The average rental rate at resort/destination airports was $0.32 psf/yr. It is significant to note the rental rates for Aeronautical Improved Land range from a minimum of $0.09 psf/yr a maximum of $0.62 psf/yr at resort/destination airports.

Based on analyzing all available data, a base rental rate of $0.40 psf/yr was derived.

The average rental rate for Aeronautical Land exhibits the following size adjustments compared to the national average rental rate.

Table 15 – Aeronautical Land Rental Rate Size Adjustments

Rental Rate Size Adjustments	
Range (square feet)	**Adjustment (based on size)**
Up to 49,999	-5%
50,000 – 249,999	-10%
250,000 – 999,999	0%
Greater than 1,000,000	-35%

Utilizing the base rental rate and predicated on adjustments for size and access, the estimated rental rate conclusions are outlined in Table 16.

Table 16 – Aeronautical Improved Land Conclusions Summary

Aeronautical Improved Land Conclusions Summary					
Identification	Size (SF)	Base Rental Rate	Adjustments: Size	Adjustments: Access	Market Rent Opinion
Zone 1	Up to 49,999	$0.40	-5%	5%	$0.40
	50,000 - 249,999		-10%		$0.38
	250,000 - 999,9999		0%		$0.42
	1,000,000 and greater		-35%		$0.28
Zone 2	Up to 49,999		-5%	0%	$0.38
	50,000 - 249,999		-10%		$0.36
	250,000 - 999,9999		0%		$0.40
	1,000,000 and greater		-35%		$0.26
Zone 3	Up to 49,999		-5%	-5%	$0.36
	50,000 - 249,999		-10%		$0.34
	250,000 - 999,9999		0%		$0.38
	1,000,000 and greater		-35%		$0.24

All rental rates are “per square foot per year” (psf/yr)

2. Aeronautical Unimproved Land

The results of the study indicate that the average rental rates for Aeronautical Unimproved Land range from $0.15 psf/yr at competitive airports to $0.41 psf/yr at regional airports. The average rental rate at comparable airports was $0.23 psf/yr and $0.30 psf/yr at national airports. The average rental rate at resort/destination airports was $0.26 psf/yr. It is significant to note the rental rates for Aeronautical Unimproved Land range from a minimum of $0.05 psf/yr to maximum of $0.40 psf/yr at comparable airports.

Based on analyzing all available data, a base rental rate of $0.30 psf/yr was derived.

In addition to the above findings, a comparative analysis of data in the national airport database was conducted. This analysis included airports where Aeronautical Improved Land and Aeronautical Unimproved Land are both leased. Through this analysis, it was determined that an adjustment of -30% for Aeronautical Unimproved Land exists at such airports. Applying this adjustment to the Aeronautical Improved Land base rental rate ($0.40 psf/yr) would yield an Aeronautical Unimproved Land rental rate of $0.28 psf/yr.

The average rental rate for Aeronautical Land exhibits the following size adjustments compared to the national average rental rate.

Table 17 – Aeronautical Land Rental Rate Size Adjustments

Rental Rate Size Adjustments	
Range (square feet)	Adjustment (based on size)
Up to 49,999	-5%
50,000 – 249,999	-10%
250,000 – 999,999	0%
Greater than 1,000,000	-35%

Utilizing the base rental rate and predicated on adjustments for size and access, the estimated rental rate conclusions are outlined in Table 18.

Table 18 – Unimproved Land Conclusions Summary

Aeronautical Unimproved Land Conclusions Summary					
Identification	Size (SF)	Base Rental Rate	Adjustments		Market Rent Opinion
			Size	Access	
Zone 1	Up to 49,999	$0.30	-5%	5%	$0.30
	50,000 - 249,999		-10%		$0.29
	250,000 - 999,9999		0%		$0.32
	1,000,000 and greater		-35%		$0.21
Zone 2	Up to 49,999		-5%	0%	$0.29
	50,000 - 249,999		-10%		$0.27
	250,000 - 999,9999		0%		$0.30
	1,000,000 and greater		-35%		$0.20
Zone 3	Up to 49,999		-5%	-5%	$0.27
	50,000 - 249,999		-10%		$0.26
	250,000 - 999,9999		0%		$0.29
	1,000,000 and greater		-35%		$0.18

All rental rates are "per square foot per year" (psf/yr)

C. Non-Aeronautical Land Rental Rate Conclusions

To derive an opinion of market rent for the Non-Aeronautical Land, information and data from similar properties in the local area (used for off-airport purposes) was analyzed.

The result of the study indicates that the sale prices for off-Airport land range from $8.80 psf to $26.58 psf. It is significant to note that the Subject Properties used for non-aeronautical purposes have landside access but do not have airside access; however, the land is located within reasonable proximity to the Airport.

A "price per square foot" basis was used for this analysis which is the common unit of comparison utilized by buyers and sellers in the marketplace. Each of the land sales was compared to the Subject Properties and adjusted for dissimilarities. The specific elements of comparison considered are property rights conveyed, financing, conditions of sale, market conditions, location, and physical characteristics (i.e., configuration, topography, size, zoning, and utilities).

After adjusting the off-airport land sales for any dissimilarities (positively or negatively), a final value was determined by analyzing the off-Airport land sales providing the best indication of value. Each off-Airport land sale required adjustment since no land sale was identical to the Subject Properties. As such, the off-Airport land sales provide a range of value for the Subject Properties.

The AMCG team utilized quantitative adjustments to each of the off-airport land sales which are based on the AMCG team's experience determining market rent for similar on-airport properties. The quantitative adjustment process provides a more reasonable range of values for comparison with the on-Airport Non-Aeronautical Land as opposed to a precise quantification of adjustments.

The following provides an explanation of the comparison elements which were considered to determine the "as is" fee simple interest value of the Subject Properties which are further outlined in Table 19.

- Property Rights Conveyed – reflect all the rights of ownership in real estate.
- Financing – indicates whether the seller received all cash, or the seller carried a note which would typically require a discount.
- Conditions of Sale – reflect those unique conditions surrounding the land sale that require an adjustment.
- Market Conditions – represent those adjustments that are associated with the date of sale or unique circumstances surrounding the land sale.
- Location – accounts for the superiority/inferiority in terms of general location.
- Physical Characteristics – indicate those aspects which require specific physical comparison and include configuration, topography, size, zoning, and utilities.

Before adjustments the sale prices ranged from a price of $8.80 psf to $26.58 psf. After adjustments the adjusted sales ranged from $8.32 psf to $21.05 psf.

Table 19 – Land Sales Adjustment Grid

Land Sale Adjustment Grid						
Sale Number	**Subject Property**	**Land Sale 1**	**Land Sale 2**	**Land Sale 3**	**Land Sale 4**	**Land Sale 5**
Sale Price	N/A	$500,000	$525,000	$1,505,400	$1,800,000	$1,200,000
Size (acres)	5.0 or less	0.60	0.60	1.30	2.95	3.13
Price (psf)		$19.13	$20.09	$26.58	$14.01	$8.80
Property Rights Conveyed	Leased Fee	Fee Simple 0% $19.13	Fee Simple 0% $20.09	Fee Simple 0% $26.58	Fee Simple 0% $14.01	Fee Simple 0% $8.80
Financing	Cash or Equivalent	Cash to Sellar 0% $19.13	Cash to Sellar 0% $20.09	Cash to Sellar 0% $26.58	Cash to Sellar 0% $14.01	All Cash 0% $8.80
Conditions of Sale	Arms Length	Arm's Length 0% $19.13	Arm's Length 0% $20.09	Arm's Length 0% $26.58	Arm's Length 0% $14.01	Arm's Length 0% $8.80
Market Conditions	Jan-23	Dec 20 5% $20.09	Feb-21 5% $21.09	Mar 19 10% $29.24	Nov-18 20% $16.81	May-21 5% $9.24
Location Adjustment						
Location	Average	Good -20% $16.07	Good -20% $16.87	Good -20% $23.39	Good -20% $13.45	Average 0% $9.24
	Fair	Good -40% $12.05	Good -40% $12.65	Good -40% $17.55	Good -40% $10.09	Average -20% $7.39
	Poor	Good -60% $8.03	Good -60% $8.44	Good -60% $11.70	Good -60% $6.72	Average -40% $5.54
Physical Characteristics						
Configuration	Rectangular	Rectangular 0%	Rectangular 0%	Rectangular 0%	Rectangular 0%	Rectangular 0%
Topography	Level	Level 0%	Slope 5%	Level 0%	Level 0%	Level 0%
Size (acres)	5.0 or less	0.60 -10%	0.6 -10%	1.30 0%	2.95 0%	3.13 0%
Zoning	Airport Conditional Use	HC -10%	Commercial -10%	GC -10%	R4 -10%	HC -10%
Utilities	Existing	Existing 0%	Existing 0%	Existing 0%	Existing 0%	Existing 0%
Total Physical Adjustments	N/A	-20%	-15%	-10%	-10%	-10%
Total Adjusted Price (average)	N/A	$12.86	$14.34	$21.05	$12.10	$8.32
Total Adjusted Price (fair)		$9.64	$10.76	$15.79	$9.08	$6.65
Total Adjusted Price (poor)		$6.43	$7.17	$10.53	$6.05	$4.99
Conclusion (Average Location): $10.00						
Conclusion (Average Location): $7.00						
Conclusion (Average Location): $4.00						

Based on analyzing all available data, an "as is" fee simple value of $10.00 psf (average location), $7.00 psf (fair location), and $4.00 psf (poor location) was determined.

Airport land, utilized for aeronautical or non-aeronautical purposes, demonstrate only partial rights of ownership as the lessee does not have fee simple rights. The lessor has the right to receive income during a certain period but gives up the right of the use of the land during the time of the lease. On a fee simple basis (i.e., for off-airport land), all property rights are included with the land.

Airport land is also restricted to certain types of uses, by 14 CFR Part 77 requirements, and subject to additional restrictions of the airport sponsor. Based on the AMCG team's experience analyzing non-aeronautical use of airport land, it is the AMCG team's opinion that a discount of 30% to 90% of fee simple value is appropriate for when comparing off-airport land and on-airport land depending on the impacts of zoning, 14 CFR Part 77, and airport design to the Subject Properties.

The Subject Properties are not impacted by certain 14 CFR Part 77 surfaces (i.e., primary surface, approach surface, transitional surface, or conical surface) and is not within certain airport design areas (i.e., Runway Safety Area, Runway Object Free Area, or Runway Protection Zone) which results in a discount on the lower end of the range.

As such, a discount of 30% was applied to the fee simple value.

To determine a rental rate from the concluded on-Airport value, the AMCG team obtained and considered rates of return for airport-based properties from a cross section of airports (ranging from General Aviation to Large Hub Primary Commercial Service airports). Airport sponsors indicated rate of return expectations range from 3.0% to 15.0%, with 10.0% identified as most common. Further, rates of return are also influenced by the size, complexity, historical practices, demand, and availability of property for development. It is also important to note the rate of return of expectations are based on typical lease terms of 20-30 years.

It is the AMCG team's opinion that a 10.0% rate of return is reasonable and appropriate for the Airport.

Predicated on the preceding criteria, the following conclusions were derived.

Table 20 – Non-Aeronautical Land Conclusions Summary

Non-Aeronautical Land Conclusions Summary					
Identification	Off-Airport Base Value	On-Airport Adjustment	Rate of Return	Calculated Result	Market Rent Opinion
Zone 4	$10.00	-30%	10%	$0.70	$0.70
Zone 5	$7.00			$0.49	$0.50
Zone 6	$4.00			$0.28	$0.30

D. Rental Rate Summary (for the Subject Properties)

Table 21 identifies the AMCG team's opinion of market rent for the Subject Properties.

Table 21 – Rental Rate Conclusion Summary

Rental Rate Conclusions Summary			
Component	Identification	Size (SF)	Market Rent Opinion
Aeronautical Improved Land	Zone 1	Up to 49,999	$0.40
		50,000 - 249,999	$0.38
		250,000 - 999,9999	$0.42
		1,000,000 and greater	$0.28
	Zone 2	Up to 49,999	$0.38
		50,000 - 249,999	$0.36
		250,000 - 999,9999	$0.40
		1,000,000 and greater	$0.26
	Zone 3	Up to 49,999	$0.36
		50,000 - 249,999	$0.34
		250,000 - 999,9999	$0.38
		1,000,000 and greater	$0.24
Aeronautical Unimproved Land	Zone 1	Up to 49,999	$0.30
		50,000 - 249,999	$0.29
		250,000 - 999,9999	$0.32
		1,000,000 and greater	$0.21
	Zone 2	Up to 49,999	$0.29
		50,000 - 249,999	$0.27
		250,000 - 999,9999	$0.30
		1,000,000 and greater	$0.20
	Zone 3	Up to 49,999	$0.27
		50,000 - 249,999	$0.26
		250,000 - 999,9999	$0.29
		1,000,000 and greater	$0.18
Non-Aeronautical Land	Zone 4		$0.70
	Zone 5		$0.50
	Zone 6		$0.30

All rental rates are "per square foot per year" (psf/yr)

VIII. APPENDIX

A. Limiting Conditions

This report is subject to the following conditions and to other specific and limiting conditions as described by Aviation Management Consulting Group, Inc. (AMCG) in this report.

1. AMCG assumes no responsibility for matters legal in nature affecting the Subject Properties, nor does AMCG render any opinion as to the title of the Subject Properties, which are assumed to be good and marketable. All existing liens and encumbrances, if any, have been designated and the Subject Properties have been analyzed as though free and clear and held under responsible ownership and competent management.
2. Information, estimates, and opinions furnished to AMCG and contained in this report were obtained from sources considered to be reliable and are believed to be true and correct. However, AMCG assumes no responsibility for their accuracy.
3. Although dimensions were taken from a source considered reliable, this should not be construed as a survey. The exact size of the Subject Properties and legal description (as appropriate) should be verified by a licensed engineer or surveyor.
4. Unless noted in this report, the conclusions do not include contributory value of any personal property, furniture, fixtures, equipment, or on-going business value.
5. It is assumed that the utilization of the Subject Properties is within the boundaries or property lines and that there is no encroachment or trespass unless noted in this report.
6. This report is prepared for the sole, exclusive use of the client. No third parties are authorized to rely on this report without the prior written consent of AMCG.
7. It is assumed that all applicable zoning and use regulations have been complied with unless a non-conformity was stated, defined, and considered in this report.
8. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal government or private entity or organization have been or can be obtained or renewed for any use on which the conclusions are based.
9. Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in this report.
10. AMCG does not have any knowledge of the existence of potentially hazardous material, gases, toxic waste, or mold on or in the Subject Properties. To AMCG's knowledge, the presence of potentially hazardous waste, materials, or gases has not been detected, or if they have been detected, it has been determined that the amount or level is considered to be safe according to standards established by the Environmental Protection Agency (EPA). However, AMCG is not qualified to detect such substances and does not make any guarantees or warranties that the Subject Properties have been tested for the presence of potentially hazardous waste materials or gases, if tested, that the tests were conducted pursuant to EPA-approved procedures. The existence of any potentially hazardous materials, gases, toxic waste, or mold may have an effect on the conclusions. An expert in this field should be retained by the client if desired.
11. AMCG is not a property or environmental inspector. The AMCG team has provided an opinion of rent. This report does not guarantee that the Subject Properties are free of defects of environmental issues. AMCG is not qualified to determine the existence of mold, the cause of mold, the type of mold, or whether, if any, mold exists, the mold might pose any risk to the Subject Properties or its inhabitants. A professional property inspector or environmental inspection is recommended.

12. It is assumed the Subject Properties will have an adequate supply of energy in the future.
13. The American with Disabilities Act (ADA) became effective January 26, 1992. AMCG has not made a specific compliance survey and analysis of the Subject Properties to determine if the Subject Properties are in conformity with the various detailed analysis of the requirements of the ADA. It is possible that a compliance survey of the Subject Properties together with a detailed analysis of the requirements of the ADA could reveal that the Subject Properties are not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative impact on the conclusion. Since AMCG has no direct evidence relating to this issue, possible noncompliance with the requirements of the ADA was not considered in the analysis.
14. AMCG assumes there are no hidden or unapparent conditions of the Subject Properties, subsoil, or structures that would render the Subject Properties more or less valuable. AMCG assumes no responsibility for such conditions or for engineering that might be required to discover such factors.
15. No requirements shall be made of AMCG to give testimony or appear in court by reason of this report of the Subject Properties in question, unless arrangements have been made previously. If any courtroom or administrative testimony is required in connection with this report, additional fees and expenses shall be charged for those services.
16. Possession of this report, or copy hereof, does not carry with it the right of publication nor may it be used for any purpose whatsoever by any entity but the client without the prior written consent of AMCG and the client.
17. Neither all nor any part of the contents of this report shall be disseminated to the public through advertising media or public means of communication without the prior written consent of AMCG and the client.

B. Certifications

We certify that, to the best of our knowledge and belief…

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and represent our personal, impartial, unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the Subject Properties and no personal interest with respect to the parties involved with this assignment.
- We have no bias with respect to the Subject Properties or to the parties involved with this assignment.
- This assignment was not contingent on developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent on the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- David Benner and Robert Decker did not make a personal inspection of the Subject Properties.
- As of the date of this report, I, Robert D. Decker, MAI, has completed the continuing education program of the Appraisal Institute.
- We have performed no services, as an appraiser or in any other capacity, regarding the Subject Properties within the three-year period immediately preceding acceptance of this assignment.
- The following opinion of market value has been derived for the Subject Properties as of June 28, 2022:

Market Rent Conclusions

Component	Identification	Market Rent Opinion
Aeronautical Improved Land	Zone 1	$0.28 - $0.42
	Zone 2	$0.26 - $0.40
	Zone 3	$0.24 - $0.38
Aeronautical Unimproved Land	Zone 1	$0.21 - $0.32
	Zone 2	$0.20 - $0.30
	Zone 3	$0.18 - $0.29
Non-Aeronautical Land	Zone 4	$0.70
	Zone 5	$0.50
	Zone 6	$0.30

David C. Benner, C.M.
Managing Consultant
Aviation Management Consulting Group.

Robert D. Decker, MAI
Appraiser
Decker Associates
Utah Temp License No. 5479949-TCGO

C. Definitions and Acronyms

- Aeronautical Improved Land – Airport land having access (airside and landside) and utilities to the property boundary.
- Aeronautical Unimproved Land – Airport land without airside and/or landside access and/or utilities to the property boundary.
- Commercial – An activity undertaken with the intent to generate and/or secure earnings, income, or compensation (including exchange or barter of goods or services), and/or profit, whether or not such objectives are accomplished.
- GPS – Global positioning system.
- Itinerant – Aircraft operations terminated at an airport which (1) arrive from outside the airport area or (2) depart the airport and leave the airport area.
- Local – Aircraft operations which (1) remain in the local traffic pattern, (2) execute simulated instrument approaches or low passes at an airport, or (3) operate to or from an airport and a designated practice area within a 20-mile radius of the Air Traffic Control Tower.
- ILS – Instrument Landing System.
- Maximum – Maximum value present in the data range.
- Mean – Arithmetic average of all data in the data range.
- Median – Value wherein half of the data points in the number series are below while half of the data points in the number series are above.
- Minimum – Minimum value present in the data range.
- Non-Aeronautical Land – Airport land having landside access but no airside access.
- Non-Commercial – Not for the purpose of securing earnings, income, compensation (including exchange or barter of goods and services), and/or profit.
- Range – Mathematical difference between the maximum and minimum values of the data range.
- RNAV – GPS – Area navigation-global positioning system.
- Standard Deviation – Statistical method designed to mathematically measure the variability in a set of data points. The calculated figure for standard deviation is indicative of the relative distance between the mean and every data point. For a normally distributed data range, approximately 68% of the data points would fall within one standard deviation of the mean, as illustrated by a normal bell curve. Similarly, approximately 95% of the data points would fall within two standard deviations, while approximately 99.7% of the data points would fall within three standard deviations of the mean. Assuming the data points from the airports are representative of the population and the population follows a normal bell curve, the calculated standard deviation values would illustrate the relative variability in data points (i.e., how close these data points are to the mean).
- VOR – Very high frequency omnidirectional range.
- VOR/DME – Very high frequency omnidirectional range/distance measuring equipment.

D. Appraiser Temporary License

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE
Temporary Certified General Appraiser
5479949-TCG0

Signature of Holder

DATE ISSUED: 02/13/2023
EXPIRATION DATE: 08/13/2023

ROBERT D DECKER
7800 S Elati St STE 108
Littleton CO 80120

- Your license is valid until the expiration date listed on your license.
- Above is your public address of record for the Division. All correspondence will be mailed to this address. It is your responsibility to notify us directly if your address changes
- Please visit our website at www.realestate.utah.gov should you have any questions in the future.

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE
Active

DATE ISSUED: 02/13/2023

EXPIRATION DATE: 08/13/2023

LICENSE NUMBER: 5479949-TCG0

LICENSE TYPE: Temporary Certified General Appraiser
110 W Aviation Way, Moab, UT 84532

ISSUED TO: ROBERT D DECKER

SIGNATURE OF HOLDER

REAL ESTATE DIVISION DIRECTOR

CANYONLANDS REGIONAL AIRPORT

FULL SERVICE OPERATOR (FSO)

OPERATING AGREEMENT

BY AND BETWEEN

GRAND COUNTY, UTAH

CANYONLANDS REGIONAL AIRPORT

AND

REDTAIL JET CENTER, LLC

Airport Operating Agreement
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This **FULL SERVICE OPERATOR OPERATING AGREEMENT** ("FSO Agreement") is made and entered into this 4th DAY OF APRIL ("Effective Date") by and between GRAND COUNTY, a Utah political subdivision whose address is 125 East Center St. Moab, UT, 84532 ("County"), and REDTAIL JET CENTER, LLC, a Utah limited liability company whose address is P.O. BOX 1004, MOAB, UT 84532 ("Operator"). Operator as used herein shall include Operator and its members, managers, directors, officers, employees, agents, clients, contractors, and subcontractors.

RECITALS

WHEREAS, Grand County owns and operates the Canyonlands Regional Airport ("CNY" or the "Airport");

WHEREAS, Full Service Operators ("FSOs") are essential to the accommodation of general and commercial aviation at the Airport;

WHEREAS, the County desires to make available the service(s) provided by the Operator, and the Operator represents that it is qualified, ready and willing to provide such services under the Minimum Standards and Rules and Regulations governing operator at CNY;

WHEREAS, in consideration of designating Redtail an FSO for CNY, the County has also leased Hangars A & B and the Fuel Farm;

NOW THEREFORE, in consideration of the mutual covenants above and terms below, including designation as an FSO and permission to operate at CNY, the Parties agree as follows:

1. LEASED PREMISES:

1.1. Effect on Hangar Lease. This Agreement is in addition to the Operator's leasable spaces located at CNY, use of which is governed by the separate leases between the Parties (the "Leased Premises"). This Operating Agreement does not permit use of such other leasable spaces, and the separate lease agreements do not grant to Operator the right to operate as an FSO at the Airport.

2. USE:

2.1. Authorization to Conduct Operations. The County hereby authorizes Operator to conduct its operations as an FSO, as defined in the CNY Minimum Standards ("Authorized Use"), in the area shown in ***Exhibit A (Movement and Non-Movement Areas)*** hereto, which is described as aircraft parking aprons, tie-down spaces, and all appurtenant improvements ("Airfield") together with: a) ingress and egress to the Leased Premises, and; b) the non-exclusive right to use the taxiways, runways, aprons and appurtenant aviation facilities necessary to serve the Authorized Uses.

2.1.1. The Airport Director, in their sole discretion, may restrict, reduce, or cancel daily aviation activity for purposes of emergency situations, impending weather conditions on the airfield, or due to flight safety.

2.1.1.1. The Airport Director must provide written notice to the Operator if there is a request to limit operations during specified periods of time for safety reasons and under reasonable circumstances.

2.1.2. Operator shall not have the privilege of using the Airport for any other purposes, unless approved by the Airport Board, than those specifically set forth in this Agreement. Unauthorized use of the Leased Premises by Operator shall be a substantial breach of this Agreement and shall constitute grounds for immediate termination by the County. This Agreement and the authorization to conduct certain operations herein are valid only to the extent of the County's jurisdiction as landowner of the Airport. Acquisition of any other necessary permits or entitlements for use is the responsibility of the Operator. Nothing contained in this Agreement shall be construed as a relinquishment of any rights now held by the County.

2.1.3. The scope of the use permitted hereunder includes regular business operations at CNY. Nothing herein permits Operator to conduct a Special Event, as defined by County ordinance, under this Operating Agreement. Operator shall comply with any City and County special event application processes and requirements for demonstrations, events, festivals, and competitions, even if departing from or based at CNY.

2.1.4. Operator shall not commit or allow the commission of any use or acts that increase existing rates for or cause the cancellation of the County's fire, liability, or other insurance policies.

2.1.5. Operator shall not commit or allow waste of the Leased Premises or permit the maintenance or commission of any nuisance. Operator's failure to use the Leased Premises continually and diligently for the Authorized Use shall be a substantial breach of this Agreement and shall constitute grounds for immediate termination of this Agreement by the County.

2.1.6. No open or uninvited solicitation on the Airport of Operator's services shall be done or permitted, except by signs, and County shall be the sole judge as to whether or not the foregoing restriction has been violated and constitutes a breach of this Agreement.

3. OPERATOR'S OBLIGATIONS; NATURE AND QUALITY OF SERVICE:

3.1. <u>Full Service Operator</u>. Operator must meet the SSO and MSO minimum service(s) provided in the CNY Minimum Standards in addition to Aircraft Maintenance; Pilot Training; Aircraft Rental; Commercial Line Services; Aircraft Hangars, Buildings Land & Tie-Down Services; and Additional Services as indicated in the Minimum Standards.

3.2. <u>Compliance with Law</u>. Operator shall, at Operator's sole cost, comply with all relevant local, state, and federal law, including local land use, zoning, and business licensing regulations, the 14 CFR (Code of Federal Regulations) Part 135 – Air Carrier and Operator Certification, terms and conditions of a Letter of Authorization under Part 91, CNY Rules and Regulations, CNY Minimum Standards, and this Agreement (collectively, the "Operational Protocols").

3.3. <u>Standard Operating Procedure</u>. At the discretion of the Airport Director, the County may require a Standard Operating Procedure ("SOP") containing a detailed description of the operation and safety measures to be followed by Operator and the general public, in which event the SOP shall be attached hereto. Prior to adoption and upon any amendment to the SOP, the County shall be provided the opportunity to review the SOP and request changes thereto.

3.4. <u>Care of Premises</u>. Operator shall keep premises neat, clean and orderly at all times. Operator shall not store anything on the premises other than those items specifically required to maintain Operator's aircraft. All petroleum products, solvents, cleaners and flammable material shall be stored in an approved fireproof rated cabinet. Used petroleum products, solvents, cleaners and cleaning materials shall be disposed of both in accordance with all governmental regulations and off the County premises.

3.5. Responsible Parties. In January of each year, during the term of this Agreement, the Operator shall provide Airport Administration with the name, address, phone number, and email address for each Responsible Party related to Operator and the Services, including the owners, managers, insurance agents, and lessors of any assets used by Operator plus emergency contacts for each of the same.

3.6. Rates and Charges. In January of each year, during the term of this Agreement, the Operator shall provide Airport Administration with a list of all rates and charges for the Services provided and retail items sold by Operator.

3.7. FAA Letter of Authorization. Operator shall provide to the Airport Director, without request, a copy of any Letter of Authorization for Commercial Air Tour Operations (14 CFR Part 91 Operations), within 48 hours of receiving such Letter of Authorization from the FAA.

4. TERM:

4.1. The Tenant and County mutually agree to lease the Premises from the County for an initial term of approximately 24 years commencing on the 17TH day of JANUARY, 2023 (hereinafter the "Effective Date") and ending on the 16TH day of JANUARY, 2047 (the "Initial Term").

5. FEES:

5.1. Operator agrees to pay Grand County for the Leased Premises on the following fees, which may be added, removed, or adjusted annually as determined by the County Fee Schedule:

5.1.1. Applicable landing fees;

5.1.2. Rent for the Leased Premises;

5.1.3. Costs and expenses for maintenance of the Leased Premises (Hangars A & B), except for structural and external maintenance of buildings, pavements, fencing, and security lighting;

5.1.4. Monthly tie-down fees associated with FBO operations and management of aircraft parking spaces; and

5.1.5. Operator Permit fee.

5.1.6. Space for aviation related equipment, ie. fuel trucks, equipment trailers.

6. PAYMENT:

6.1. Payment Schedule. Fees shall be paid monthly unless an annual fee is identified at which payment is to be made in January of each year.

6.2. Place of Payment. Payment required in this Agreement shall be delivered to Grand County Clerk's office, 125 East Center Street, Moab, UT 84532 by cash or check payable to Grand County - Canyonlands Regional Airport.

6.3. Delinquent Payments. Without waiving any other right of action available to County, if Operator fails to pay any installment of Fees due hereunder within thirty (30) days of the date the said rent or other fee is due, Tenant shall pay County a late fee equal to five percent (5%) of the total said delinquent payment ("Late Fee"). Any payments past due more than thirty (30) days shall also have interest added thereon at the rate of ten percent (10%) per annum ("Default Interest").

7. RESPONSIBILITIES:

7.1. On or before the first day of operations of each year, Operator shall provide Airport Management a current list of all aircraft and vehicles operating airside authorized to operate at CNY, which list shall be attached hereto as ***Exhibit B***.

7.1.1. Should the vehicle access or aircraft list change, notification to Airport Management shall be within two (2) business days of the changes or amendments.

7.1.2. Driver access codes through the vehicle gate are issued annually.

7.1.3. All vehicles and aircraft associated with the Operator shall be marked with the name "Redtail Air".

7.2. Access Gate Use.

7.2.1. Only authorized employees of the Operator shall use the pedestrian and/or vehicle Gate(s).

7.2.1.1. Operator shall provide a list of authorized employees eligible to receive a security access code, which list Operator shall immediately update upon any change in employment status.

7.2.1.2. All authorized employees must receive Airport Part 139.329 training prior to issuance of an access code.

7.2.1.3. Operator shall be held strictly liable for use of access Gate(s) by unauthorized individuals associated with Operator.

7.2.1.4. All guests of Operator shall be escorted by an authorized employee.

7.3. Operator is responsible for all of its owners, agents, employees, contractors, guests, invitees, and customers in areas of the Airport for which Operator has lease or other rights to use, all of whom shall strictly comply with this Agreement. Passengers, guests and bystanders shall be under constant escort by Operator at all times while on any areas of the Airport's airside locations. Operator shall maintain strict control of its customers and guests and their vehicles to preclude access to areas of the Airport to which such people or vehicles are not authorized to use.

7.4. Accident Reporting. Operator shall inform the County immediately of any accident, incident, injury, or property damage involving any of Operator's aircraft, equipment, customers, guests, or personnel that occurs on the Airport or during tour flight operations.

8. PROCEDURES:

8.1. Radio Communications. Operator shall comply with radio communications:

8.1.1. Use CTAF (Common Traffic Advisory Frequency) 122.8

8.1.1.1. Keep radio communication brief with intentions.

8.1.1.2. Be professional.

8.1.1.3. Be considerate of other aircraft and operators using the frequency.

9. **AIRSPACE OPERATIONS:**

9.1. Operator shall comply with approach and departure procedures at all times.

9.2. Operator shall use proper flight procedures.

10. SELF FUELING:

10.1. Self-Fueling Policy: Operator or user agrees to abide by the policies set forth in the CNY Minimum Standards.

11. DRUG-FREE WORKPLACE:

11.1. Drug and Alcohol Policies: Operator agrees to abide by the drug and alcohol policies set forth in the CNY Rules and Regulations.

11.2. Tenant shall adopt and enforce a policy to maintain a drug-free workplace by:

11.2.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances is prohibited on the leasehold and in the airspace, and specifying the actions that will be taken against employees for violations of the prohibition.

12. INSURANCE:

12.1. Duty to Maintain and Prove Insurance. Operator shall obtain, carry and maintain insurance in the amounts required by the CNY Minimum Standards and this Section 12 and submit proof of the same to the County as required therein. In the event of conflict of this Section 12 with insurance requirements contained within any separate airport property leases with the County, the terms of the lease shall control.

12.2. Minimum Scope and Limits of Insurance

12.2.1. Commercial General Liability Insurance. Operator shall maintain commercial general liability or general aviation/airport liability insurance coverage with a limit of not less than $500,000 per person, $1,000,000 per occurrence, and $2,000,000 aggregate, or the maximum amount commercially available, whichever is higher.

12.2.2. Aircraft Liability Insurance. Operator shall maintain aircraft liability insurance, including coverage for non-owned aircraft, covering personal injury and property damage for all commercial activities of Operator, whether arising out of or in connection with this Agreement or not, with a limit of not less than $250,000 per passenger with a per occurrence limit calculated by multiplying the per passenger insurance requirement by the passenger capacity of the aircraft. By way of example, if an aircraft holds 6 passengers, then the per occurrence limit shall not be less than $1,500,000 ($250,000 x 6).

12.2.3. Workers' Compensation. Operator shall maintain Workers' Compensation Insurance with statutory limits as required by the Labor Code of the State of Utah.

12.2.4. Automobile Liability. Operator shall maintain automobile or mobile equipment liability insurance covering bodily injury and property damage in an amount not less than $1,000,000, combined single limit for each occurrence, or the maximum amount commercially available where use is airside, whichever is higher. Said insurance shall include coverage for owned, hired and non-owned vehicles and mobile equipment used in the operation of Operator's business.

12.2.5. Certificate of Insurance. On or before the first day of operations, Operator shall provide the Airport Director with certificates of insurance ("COI") to evidence the insurance required in this Section, which certificates shall be attached hereto as ***Exhibit C***.

12.2.5.1. The COI shall list Grand County as an Additional Insured.

12.2.6. Commercially Available Limits. In the event the coverage requirements herein are not commercially available, it shall be the Operator's responsibility to document and prove to the Airport Director the maximum coverage amount commercially available.

12.2.7. Indemnification. The limits of insurance shall not in any manner impair the obligations of Operator to indemnify, protect, defend and hold harmless County as specified in this Operating Agreement.

12.2.8. Increase in Minimum Policy Limits. For insurance with no statutory limits, policy limits shall be periodically increased or revised at the request of the County.

13. ENFORCEMENT:

13.1. Breach: The occurrence of any of the following shall constitute a breach of this Agreement by Operator:

13.1.1. Operator's failure to pay when due any fee or fine required to be paid under this Agreement;

13.1.2. Operator's failure to comply with Sections 11 or 12 of this Agreement, with or without notice made by Grand County;

13.1.3. Operator's failure to perform any other obligation of the Operational Protocols, including this Agreement, if the failure continues for fifteen (15) days after written Notice of Violation provided by County;

13.1.4. Three or more violations of the Operational Protocols within one year;

13.1.5. Violation of any other Lease or Agreement with the County by Tenant/Operator, which violation shall be established as provided therein;

13.1.6. Violation of federal, state or local law; or

13.1.7. Operator's conviction of a crime related to its operations or property.

13.2. Investigation:

13.2.1. Upon signed written complaint or other reasonable documentation, including but not limited to a verbal or email complaint with specificity indicating sufficient personal knowledge, of a violation or breach of the Agreement, the Airport Director shall investigate the complaint/violation within a reasonable amount of time and subject to County resources and staff availability, which investigation may include collection of evidence and written or oral communication with the complainant, witnesses, and the Operator. This investigation shall be in addition to and separate from any investigation initiated by the FAA. The Airport Director may delegate their investigative power hereunder to the Sheriff or a contract investigator as needed or in the event of a conflict of interest.

13.2.2. Upon initiation of the investigation, and in the event the Airport Director determines that serious safety violations are or may be ongoing, the Airport Director may, in their sole discretion, require the Operator cease all operations until the investigation concludes and/or the violation is cured.

13.2.3. At the conclusion of the investigation, the Airport Director shall issue written findings and:

13.2.3.1. In the event of violation, provide to the Operator a written Notice of Violation that identifies the following information:

13.2.3.1.1. the relevant regulation or law at issue; and

13.2.3.1.2. the violation of the relevant regulation or law; and

13.2.3.1.3. whether the violation was major (involving life and safety or liability for the County) or minor (not involving life and safety or County liability); and

13.2.3.1.4. the length of the cure period or effective date of termination of this Agreement, as applicable; and

13.2.3.1.5. the amount of the fines to be assessed to the Operator under the County Fee Ordinance, including restitution for damages caused to third parties, and the deadline for payment; or

13.2.3.2. In the event of no violation, take no further action.

13.3. <u>Violation:</u>

13.3.1. In the event of Operator's violation or breach of the Agreement and pursuant to the provisions of this Section, the County shall impose and collect fines under the County Fee Ordinance from Operator and may immediately terminate this Agreement or seek other remedies available under law. The Operator's later cure of the violation shall not affect the County's reservation of remedies hereunder, in the County's sole discretion.

13.4. <u>Appeal:</u>

13.4.1. Operator may appeal the decision of the Airport Director or the County pursuant to the process set forth in Title 1 of the Grand County General Ordinances.

13.5. <u>Conflict:</u>

13.5.1. In the event of conflict between this Section and the CNY Minimum Standards or CNY Rules and Regulations, this Section shall control.

13.6. <u>Notice</u>:

13.6.1. Notices provided hereunder shall be deemed properly served by the Airport Director if a copy thereof is personally delivered to, posted on, or sent by registered or certified mail to the Operator at their mailing address on file with Airport Administration.

14. INDEMNIFICATION:

14.1. Operator shall defend (with counsel acceptable to County), protect, indemnify, and hold harmless Grand County, its directors, officers, employees, agents, and representatives at all times from and against any and all liabilities, lawsuits, proceedings, liens, actions, penalties, losses, expenses, claims, judgments, demands of any nature, or damage to persons or property, including costs and expenses for legal services, arising from Operator's operations, activities, or omissions, whether an Authorized Use or not, whether on County property or not, and whether a violation of this Agreement or not. The term Operator includes Operator's officers, agents, employees, guests, customers, visitors and invitees. This Section survives termination or cancellation of the Agreement.

14.2. **Notice.** Operator agrees to notify County in writing as soon as practicable of any claim, demand or action arising out of an occurrence covered hereunder of which Operator has knowledge, and to cooperate with County in the investigation and defense thereof.

15. CANCELLATION:

15.1. Operator may cancel this Agreement by giving 30 days' advance written notice of cancellation; provided, however, that in the event of termination under Section 11, the termination may be effective immediately upon the date provided in the cancellation notice.

15.2. In the event of cancellation, Operator shall cease all Permitted Uses and related operations at the Airport on or before the effective cancellation date.

16. NONDISCRIMINATION

16.1. Operator agrees for its owners, managers, directors, supervisors, employees, personal representatives, successors in interest and assigns, as part of the consideration hereof, not to discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in Operator's use of the Premises, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.

17. DISABLED ACCESS COMPLIANCE

17.1. Operator agrees to comply with CODE; the Federal Rehabilitation Act of 1973, Section 504, Title V; the Americans with Disabilities Act of 1990 (ADA); and any other applicable state and federal laws and regulations hereafter enacted protecting the rights of people with disabilities. Operator's compliance shall include but not necessarily be limited to the following:

17.1.1. Operator shall not discriminate against qualified individuals with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment.

17.1.2. No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of services, programs, or activities of Operator.

17.1.3. Operator shall post a statement addressing the requirements of the ADA in a prominent place at the work site.

17.1.4. Operator shall include language in any sublease agreement which indicates the subtenant's agreement to abide by the foregoing provisions. Operator and subtenant shall be individually responsible for their own ADA employment programs.

18. HAZARD REMOVAL AND MITIGATION

18.1. County will take appropriate action to assure the airspace is cleared to protect instrument and visual operations at the airport (including established minimum flight altitudes). County will also take action to assure the taxiways, runways, ramps, aprons and appurtenant aviation facilities are adequately cleared and protected by removing, lowering, relocating, marking, lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

19. COMPATIBLE LAND USE

19.1. County will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including the landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which the Federal funds have been expended.

20. ECONOMIC NONDISCRIMINATION

20.1. County will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

20.2. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, organization, firm, or corporation to conduct or to engage in any aeronautical activity that is furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

> 20.2.1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof; and
>
> 20.2.2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to purchasers.

20.3. Each FSO, MSO, or SSO at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to other operators of the same, making the same or similar uses of such airport and utilizing the same or similar facilities.

20.4. Each air carrier using the airport shall have the right to service itself or to use any other service provider operator that is authorized or permitted by the airport to service any air carrier.

20.5. Each air carrier using the airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenant or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

20.6. County will not exercise or grant any right or privilege which operates to prevent any person, organization, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to, maintenance, repair, and fueling) that it may choose to perform.

20.7. County may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

20.8. County may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport.

21. SUBORDINATION

21.1. This Agreement is, and shall be, subordinate to the provisions of existing and future agreements between County and the United States relative to the operation or maintenance of the Airport, the execution of which has been, or may be required as, a condition precedent to the obtaining or expenditure of federal funds for the benefit of the Airport, including but not limited to the terms of any "Sponsor's Grant Assurances" or like agreement that has been or may be furnished by the County to the United States, its boards, commissions, or agencies, including without limitation the Federal Aviation Administration. Operator shall abide by the requirements of agreements entered into between the County and the United States, as applicable, and shall consent to amendments and modifications of this Agreement if required by such agreements or assurances or if required as a condition of the County's entry into such agreements. In the event that the County, through its Airports Director, reasonably determines that this Agreement or any provision contained herein causes or may cause a violation of any agreement between the County and the United States, the County shall have the unilateral right to modify this Agreement, or if modification is not possible, to terminate this Agreement, to ensure the County's compliance with all such agreements with the United States.

22. STANDARD CONTRACT ITEMS

22.1. **Tense, Number and Gender**. Each number, tense and gender used in this Agreement shall include any other tense, number or gender where the context and the parties hereto or the context and references therein shall require.

22.2. **Exhibits Incorporated**. All exhibits to which reference is made in this Agreement are deemed incorporated into this Agreement by reference as though fully set forth herein, whether or not actually attached.

22.3. **Modification**. No modification, amendment, or alteration of this Agreement will be valid unless it is in writing and signed by all parties.

22.4. **Headings**. Headings are inserted in this Agreement for convenience of reference only and shall not be utilized to limit, construe or otherwise interpret this Agreement.

IN WITNESS WHEREOF, the parties have agreed and hereunto affixed their signatures.

REDTAIL JET CENTER
P.O. BOX 1004
Moab, UT 84532

____

JOHN RAMSEY, President Date

GRAND COUNTY, UTAH
CANYONLANDS REGIONAL AIRPORT
110 W. Aviation Way
Moab, UT 84532

____

Jacques Hadler, Chair, Grand County Commission Date

ATTEST:

____

Gabriel Woytek, County Clerk/Auditor Date

EXHIBIT A

MOVEMENT & NON-MOVEMENT AREAS

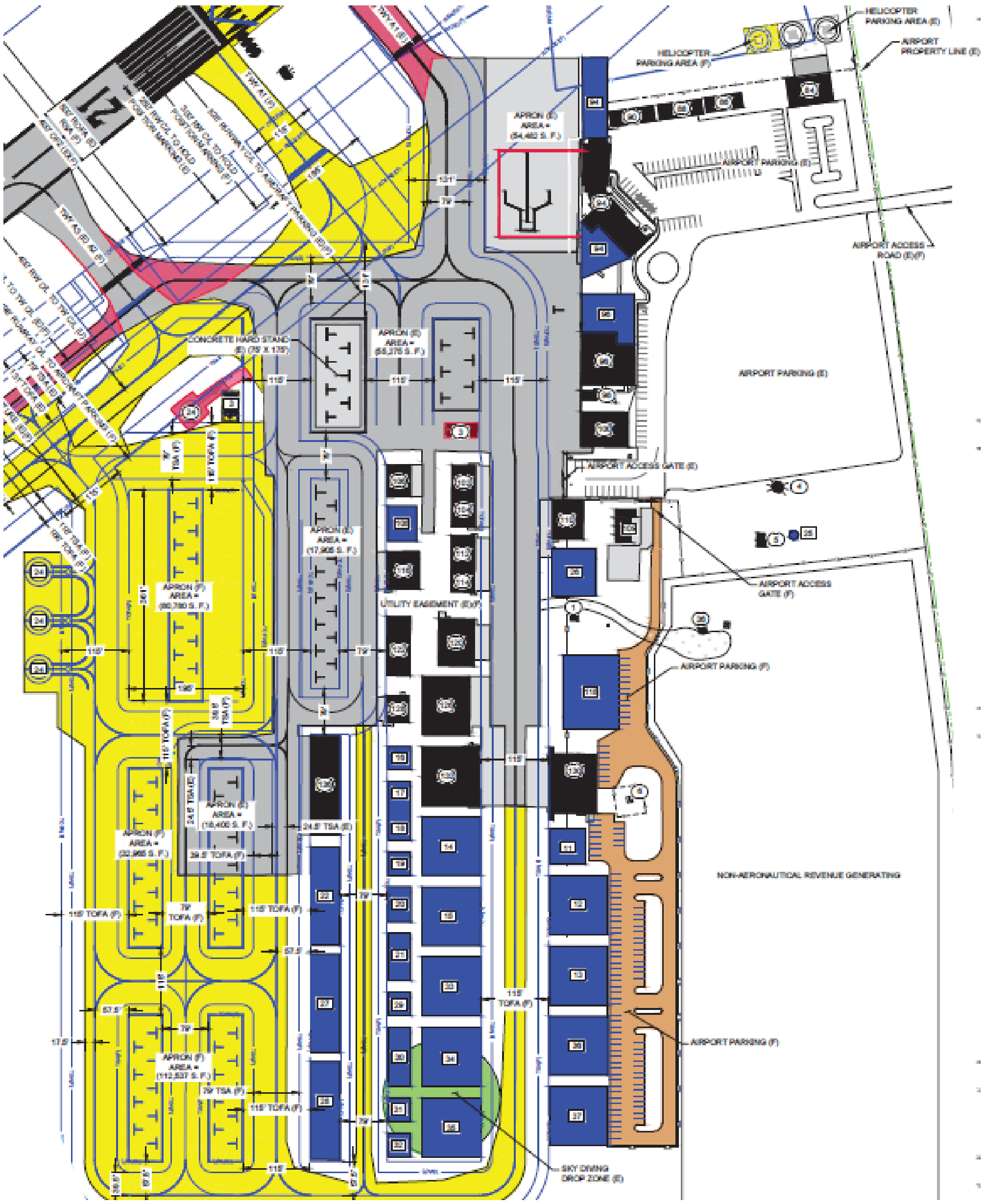

EXHIBIT B

AIRCRAFT TAIL NUMBERS

AIRCRAFT N#	AIRCRAFT TYPE	CALL SIGN
N733TE	Cessna 172	33TE
N256MW	Cessna 172	56MW

EXHIBIT C

CERTIFICATES OF INSURANCE

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/30/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Velocity Insurance Group, LLC
6300 Sagewood Dr., Ste H503

Park City UT 84098

CONTACT NAME: Rod Ritter
PHONE (A/C, No, Ext): (877)226-7333 FAX (A/C, No): 435-487-1214
E-MAIL ADDRESS: rritter@velocityins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Endurance American Ins. Co.	
INSURER B: through W. Brown and Assoc.	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Redtail Air, Inc. Pinnacle Helicopters, LLC
P.O. Box 1004
121 East 100 So, Suite 108
Moab UT 84532

COVERAGES CERTIFICATE NUMBER: 22-23 Aircraft Liability REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS / SCHEDULED AUTOS HIRED AUTOS / NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR EXCESS LIAB / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Aircraft Liability			NAC6051252	12/5/2022	12/5/2023	*See Below	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

SEE PAGE 2 FOR AIRCRAFT SCHEDULE

CERTIFICATE HOLDER

Grand County
125 East Center Street
Moab, UT 84532

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Rodney Ritter/JODEE

COMMENTS/REMARKS

AIRCRAFT AS SCHEDULED IN THE POLICY for FULL FLIGHT:

As respects to Quest Kodiak Aircraft Liability Limits: $3,000,000 CSL Bodily Injury and Property Damage limited to $300,000. per person

As respects to Cessna 207's and Airvan Aircraft Liability Limits: $2,000,000. CSL Bodily Injury and Property Damage limited to $300,000. per person.

As respects to Cessna 172 Aircraft Liability Limits: $1,000,000 CSL Bodily Injury & Property Damage limited to $200,000. per person

As respects to the Robinson R44 Aircraft Liability Limits: $2,000,000 CSL Bodily Injury & Property Damage limited to $100,000. per person

ADDITIONAL INSURED

The Certificate Holder shall be included as an Additional Insured (s) for Aircraft Liability, but only for liability arising out of the operations of the Named Insured.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/30/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Velocity Insurance Group, LLC 6300 Sagewood Dr., Ste H503 Park City UTI 84098	CONTACT NAME: Rod Ritter PHONE (A/C, No, Ext): (877)226-7333 FAX (A/C, No): 435-487-1214 E-MAIL ADDRESS: rritter@velocityins.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : Endurance American Ins. Co.
INSURED Redtail Air, Inc and Pinnacle Helicopters, LLC P.O. Box 1004 121 East 100 So., Ste 108 Moab UT 84532	INSURER B : through W. Brown and Assoc. INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** 22-23 Aviation General **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE x OCCUR x Aviation General Liability GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			NAF6051259	12/5/2022	12/5/2023	EACH OCCURRENCE	$ 5,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 250,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 5,000,000
							GENERAL AGGREGATE	$ 5,000,000
							PRODUCTS - COMP/OP AGG	$ 5,000,000
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Aviation General Liability extends to all premises necessary and incidental tothe Aviation Operations of the Named Insured

On-Premises Auto Liability extended - per policy endorsement

CERTIFICATE HOLDER

Grand County
125 East Center
Moab, UT 84532

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Rodney Ritter/JODEE

COMMENTS/REMARKS

ADDITIONAL INSURED
The Certificate Holder shall be included as an Additional Insured (s) for Airport Premises Liability, but only for liability arising out of the operations of the Named Insured.

Liability extended to Mobile Equipment registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment with your permission; as per policy wording.

CERTIFICATE OF LIABILITY INSURANCE

ACORD®

DATE (MM/DD/YYYY): 12/05/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Velocity Insurance Group, LLC
6300 Sagewood Dr., Ste H503

Park City UT 84098

CONTACT NAME: Kathie Hill
PHONE (A/C, No, Ext): (877) 226-7333 **FAX (A/C, No):** (435) 487-1214
E-MAIL ADDRESS: khill@velocityins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Granite State Insurance Company	23809
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Redtail Air, Inc.
P.O. Box 1004

Moab UT 84532

COVERAGES **CERTIFICATE NUMBER:** 22/23 Auto **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC OTHER:						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
A	**AUTOMOBILE LIABILITY** X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY	Y		02-CA-084607161-8	12/01/2022	12/01/2023	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR **EXCESS LIAB** / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is Additional Insured as respects Business Auto Liability when required by written contract.

CERTIFICATE HOLDER

Grand County
125 East Center

Moab UT 84532

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

WCF Mutual Insurance Company
100 W Towne Ridge Pkwy
Sandy, UT 84070
385 351-8000

Workers Compensation and Employers Liability Insurance Policy

NCCI Co Number: **19933**	INFORMATION PAGE	Policy Number: **3446472**

1. INSURED/MAILING ADDRESS:
ARROW WEST AVIATION INC
121 E 100 S Ste 108
Moab, UT 84532-2661
(435) 820-6007

Other workplaces not shown above: See Schedule WC 200 A
Other named insured (if applicable):

Entity Type: **Corporation**
Renewal of Policy No: **3446472**

F.E.I.N.	870618479
NCCI Risk Id	430027662
UT Unemployment Id	000000

2. POLICY PERIOD: From 11/26/2022 to 11/26/2023 at 12:01am at the Insured's mailing address

3. COVERAGE:

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the state listed here:

UT

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	**$1,000,000**	**Each Accident**
Bodily Injury by Disease	**$1,000,000**	**Policy Limit**
Bodily Injury by Disease	**$1,000,000**	**Each Employee**

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

None

D. This policy includes these endorsements and schedules:
See Schedule WC 200 C

4. PREMIUM:
The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code No.	Premium Basis Total Estimated Annual Remuneration	Rates Per $100 of Remuneration	Estimated Annual Premium
		See Schedule WC 200 D		
			Expense Constant Total Estimated Annual Cost:	**$200.00** **$27,116.00**
Minimum Premium: **$800.00 Utah** Deposit Premium:		If indicated below, interim adjustments of premium shall be made: ____ Semi-annually; ____Quarterly; ____Monthly		

PRODUCER:
WASATCH-LEAVITT INSURANCE AGENCY INC
1443 W 800 N #202
OREM, UT 84057
(801) 224-2044

Countersigned By

WC000001A

Issue Date: 11/22/2022	Issuing Office: Sandy, Utah

SCHEDULE OF OTHER WORKPLACES

Name of Insured: **ARROW WEST AVIATION INC**
Name of Insurer: **WCF Mutual Insurance Company**
Policy Number: **3446472**
Policy Period: **11/26/2022 at 12:01am** to **11/26/2023 at 12:01am**

Name/Address	Fein	#Employees
ARROW WEST AVIATION INC 94 AVIATION WY MOAB, UT 84532	870618479	0
ARROW WEST AVIATION INC 3095 E AIRPORT ROAD PRICE, UT 84501	870618479	12

AIRPORT PROPERTY LEASE AND LICENSE AGREEMENT

BY AND BETWEEN

GRAND COUNTY UTAH
CANYONLANDS REGIONAL AIRPORT

AND

REDTAIL JET CENTER, LLC.

FOR

BULK FUEL STORAGE;

SELF FUELING ISLAND;

AND

MOBILE FUEL TRUCKS

Airport Property Lease and License Agreement

Table of Contents — Page

AMENDED AND RESTATED
AIRPORT PROPERTY LEASE AND LICENSE AGREEMENT

This AMENDED AND RESTATED GROUND LEASE AGREEMENT ("Agreement") is made and entered into this 17TH day of JANUARY, 2023 by and between GRAND COUNTY, a Utah political subdivision whose address is 125 East Center St. Moab, UT, 84532 ("County"), and REDTAIL JET CENTER, LLC, a Utah limited liability company whose address is P.O. BOX 1004, MOAB, UT 84532 ("Tenant"). This Agreement supersedes and replaces the Parties' Ground Lease Agreement dated August 1, 2016.

RECITALS:

A. The County is the owner and operator of the Canyonlands Regional Airport ("Airport"), located in Grand County, State of Utah, and operates the Airport for the promotion, accommodation and development of air commerce and air transportation;

B. The Tenant also operates as a Full Service Operator ("FSO") at the Airport pursuant to an Operating Agreement effective January 17, 2023 ("FSO Operating Agreement") and the CNY Minimum Standards, which Governing Documents require Tenant to provide commercial fueling services and operate a fuel farm;

C. The Tenant desires to lease ground space for the purpose of bulk fuel storage tanks, a self-service fueling station and space required for mobile fueling vehicles; and

D. The Parties now desire to enter into this Agreement to lease said tract of land or leasable space from County premises ("Premises"), as described and defined in Exhibit A, for such purposes and under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises and terms herein contained, and other valuable consideration, the sufficiency of which is acknowledged by the Parties, their successors and assigns, the Tenant and County agree as follows:

1. PREMISES
    a. Lease of Premises. In consideration of the mutual covenants, promises, terms and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, County hereby leases to Tenant and Tenant hereby leases from County the following Premises:
        i. The square footage of a sixty-eight foot by forty-three foot (68' X 43') space having approximately Two Thousand Nine Hundred Twenty Four (2,924) total square feet of space; and
        ii. The square footage of fifty-three foot by twenty foot (53' X 20') space having approximately One Thousand Sixty (1,060) total square feet of space; and

iii. The square footage of three (3) individual fueling vehicles spaces each consisting of twenty-eight foot by ten foot (28' X 10') space having approximately a total of Eight-Hundred Forty (840) square feet;

iv. Hereinafter called "Space", located at the Airport on tracts of leased space more particularly described on ***Exhibit A***, which is attached hereto, for a total square feet space of approximately Four Thousand Eight Hundred Twenty Four (4,824) square feet.

b. Effect on Operating Agreement. This Agreement is in addition to the Operator's Operating Agreement with the County. The Operating Agreement does not permit use of the Leased Premises described herein, and this Agreement does not grant to Operator the right to operate as an FBO at the Airport.

c. As-Is Condition; No Express or Implied Warranties. TENANT HAS EXAMINED, AND ACCEPTS, THE PREMISES AND ANY FIXTURES ON THE LEASED SPACE, IN THEIR PRESENT "AS-IS" PHYSICAL CONDITION. NO REPRESENTATION, STATEMENT, OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN MADE OR IS MADE BY OR ON BEHALF OF COUNTY AS TO THE CONDITION OF THE PREMISES, OR AS TO THE FITNESS FOR ANY PARTICULAR USE THAT MAY BE MADE OF THE PREMISES. IN NO EVENT SHALL COUNTY BE LIABLE FOR ANY REASONABLY APPARENT DEFECT IN THE PREMISES FOR THE USE PERMITTED UNDER THIS AGREEMENT NOT WITHIN THE COUNTY'S CONTROL.

2. INITIAL TERM

a. This Agreement shall remain in effect for the term of the FSO Operating Agreement with Grand County of even date herewith.

3. AGREEMENT RENEWAL

a. Subject to Section 6, so long as Tenant is not in Default and the County is mutually agreeable, the Tenant may have the option to renew this Agreement (hereinafter referred to as "Renewal Term") one (1) time for five (5) additional years.

b. Tenant will provide a written request to the County not less than one hundred and twenty (120) days prior to the expiration of the Agreement or Renewal Term.

c. Upon Tenant's request for renewal, the County shall review the condition of the Premises and market rental rates and determine any conditions of renewal such as required Tenant improvement to the Premises or increased Rent based on market rental rates, which conditions shall be provided to Tenant for review sixty (60) days prior to expiration of the Agreement and integrated into the Renewal Agreement.

d. Renewal Term is subject to County approval, which may not be unreasonably withheld; provided, however, that the County shall have no obligation to renew if the Tenant is in Default or Breach or does not agree to the conditions imposed under Section 6.

4. RENT
   a. Rent. Tenant agrees to pay County during the first year of the Initial Term Annual rent of ONE-THOUSAND TWO HUNDRED SIX dollars ($1,206.00) ("Rent") based on the published Lease Rate as of the date of this Agreement term is TWENTY-FIVE cents [$0.25] per square foot per year pursuant to the County's Fee Ordinance.
      i. Rent shall be paid monthly in advance.
      ii. Rent shall be prorated in the month this Agreement commences for any partial tenancy, as applicable.
   b. Place of Payment. All payments due by Tenant to County under this Agreement shall be remitted to: **County Clerk, 125 East Center, Moab, Utah 84532**.
   c. Delinquent Payments. Without waiving any other right of action available to County, if Tenant fails to pay any installment of annual rent or any other fee due hereunder within thirty (30) days of the date the said rent or other fee is due, Tenant agrees to pay County a late fee equal to ten percent (10%) of the total said delinquent installment of rent or other fee ("Late Fee"). Any payments past due more than thirty (30) days shall also have interest added thereon at the rate of ten percent (10%) per annum ("Default Interest").
   d. Rental Adjustments:
      i. The Rent payable under this Agreement is subject to annual adjustment on January 1 and shall increase by two-percent (2%) each year thereafter calculated by multiplying the base rate by two percent each year and at which a new base rate would be established each consecutive year.
      ii. On each five-year anniversary of the Agreement, the Rent shall be recalculated to the greater of the current Rent amount or the base rate established in the current year Fee Ordinance.
      iii. In no case shall Rent be calculated per square foot lower than the Lease Rate established in the County Fee Ordinance.

5. HOLDING OVER
   a. Month-to-Month. Should Tenant remain in possession of the Premises after the expiration of the Initial Term or Renewal Term, such holding over shall be subject to the terms and obligations of the Agreement, and all applicable federal, state and local laws applicable to month-to-month tenancy shall apply.
   b. Rental Increase. Rent shall automatically increase one hundred and fifty percent (150%) on all holdover periods, shall remain valid for the duration of the holdover period, and shall be collectable as Rent unless this Agreement is renewed if permissible herein.
   c. Termination. During all holdover periods, either Party may terminate the tenancy by giving at least thirty (30) days written notice.
   d. Rent Due. Rent is due and payable pursuant to Section 4, as modified by this Section 5, during all holdover periods.
   e. Additional Remedies. This provision shall not limit the Landlord's remedies provided by Utah statute.

6. RENEWAL EVALUATION
    a. Upon expiration or termination of this Agreement and all Renewal Terms, the County shall take one of the following action which shall be exercised by the County in its sole discretion or the Premises shall automatically revert to the County pursuant to Section 6(b) below:
        i. <u>Enter into a new Agreement with Tenant</u>, in which event this Agreement is not binding on the County and the County may negotiate a new Lease Agreement, in form and content, and may require Tenant make improvements. A Tenant shall make a request for a new Agreement at least one hundred and twenty days (120) prior to expiration of the final Renewal Term permitted hereunder.
        ii. <u>Restore the ground to the original condition via removal or demolition of all improvements:</u>
            1. At the County's election, Tenant shall remove or demolish any Improvements to the Premises and return the site to the original condition within ninety (90) days of expiration of this Agreement or written request by the County.
            2. If Tenant fails to comply with this Section 6(a)(ii), the County shall have the right to remove or demolish such Improvements and restore the ground to its original condition at the expense of the Tenant.
    b. <u>Reversion.</u> In lieu of the options in Section 6(a), or in the event no action is taken under Section 6(a), the Premises, and all improvements thereon, automatically vest in, revert to and become the sole property of County without compensation to, or requirement of consent or other act of Tenant and without the necessity of executing a deed, bill of sale, conveyance or other act or agreement of Tenant, and without any payment of any kind or nature by County to Tenant or to any other person, including any lender or creditor who has a security interest against all or any portion of Tenant’s interest in the Premises or this Agreement as set forth in Section 12.
        i. Tenant shall thereafter have no further rights thereto or interest therein, and shall make no representation or warranty to County with respect to the condition thereof; provided that such improvements shall be surrendered to Landlord in the condition in which Tenant is required to maintain them under this Agreement, reasonable wear and tear excepted, and free and clear of all liens and encumbrances.
        ii. Except as otherwise provided by this Agreement, Tenant shall not remove any improvements from the Premises, nor waste or destroy any improvements.
        iii. Notwithstanding the above declaration, upon or at any time after the date of the expiration or earlier termination of this Agreement, if requested by County, Tenant shall, without charge to County, promptly execute, acknowledge and deliver to County a deed and bill of sale (in form and content acceptable to County) which:

1. Conveys all of Tenant's right, title, and interest in and to the Premises and improvements;
2. Assigns all contracts designated by County, if any, relating to the operation, management or maintenance of the Premises or any part thereof; and,
3. Conveys or assigns, as the case may be, all plans, records, registers, permits, and all other papers and documents which may be necessary or appropriate for the proper operation and management of the Premises.

7. USES AND PRIVILEGES OF TENANT
   a. Premises Use. Tenant shall use the Premises solely for the storage, sale or flowage of fuel and equipment associated as such for purposes of fueling operations and fueling aircraft or other similar intended use.
      i. Use and operation shall be in compliance with:
         1. 14 CFR 139.321- Handling and storing of hazardous substances and materials; and
         2. NFPA 407 - Standard for aircraft fuel servicing.
   b. Premises Prohibited Uses. Tenant understands the following uses of the Premises are considered "Prohibited Uses" and are expressly prohibited by this Agreement:
      i. Smoking;
      ii. Open Flames;
      iii. Highly flammable materials.
   c. Granted License. Tenant is hereby granted during the term of this Lease a revocable license to use, in common with others similarly authorized, all Public Airport Facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport, except as hereinafter provided. As used herein, the term "Public Airport Facilities" shall include, but not necessarily be limited to, approach areas, runways, taxiways, public aprons, aircraft and automobile parking areas, terminal facilities, or other public facilities appurtenant to the Airport.
   d. Premises Ingress and Egress. Tenant is hereby granted during the term of this Lease the right to pedestrian, vehicular and aircraft ingress to and egress from the Premises over and across public roadways serving the Airport for Tenant, its employees, representatives, agents, patrons, guests and suppliers, subject to such nondiscriminatory and lawful ordinances, rules and regulations as now or may hereafter have application at the Airport. It is understood and agreed that County hereby retains the right of ingress and egress over, through and across the Premises at any time for purposes of inspection and such other needs as County may have in connection with the operation of the Airport.
   e. Prevent Hazards. County reserves for itself, its successors and assigns, the right to prevent any use of the Premises which would interfere with aircraft landing on or taking off from the Airport and the right to prevent any other use of the Premises or the Airport that would constitute an airport hazard.

f. County Right to Enter. County shall have the right to enter the Premises for the purpose of conducting any inspection it deems expedient to determine compliance with all terms and conditions of this Agreement and in accordance with:
    i. At any time if the Premises is experiencing a known emergency situation or if requested by law enforcement;
    ii. Reasonable efforts will be made to notify Tenant before entering the Premises upon reasonable suspicion for the need to inspect;
    iii. Prior arrangement for necessary inspections related to compliance.

g. Locking Devices. If Tenant places any locking devices to the Premises, Tenant must ensure the County has accurate and up-to-date contact information for an individual that can grant access to the Premises.

8. MINIMUM STANDARDS AND RULES AND REGULATIONS
    a. Compliance. Tenant represents throughout the duration of this Agreement to comply with the CNY Minimum Standards and Rules and Regulations as approved or amended by the County.
    b. Conflict. In the event of conflict between this Lease and the CNY Minimum Standards or Rules and Regulations, the terms of the CNY Minimum Standards or Rules and Regulations shall control. In the event of conflict between this Lease and the Tenant's Operating Agreement with the County, the Operating Agreement shall control.

9. INSPECTION
    a. Tenant Inspection. Tenant agrees to inspect all Premises and surrounding Airport property, drainage, facilities and any other aspects of the Premises and provide any information to the County pertaining to concerns or issues related to the Premises.
    b. Tenant Responsibility. It shall be the sole responsibility of Tenant to develop, maintain, repair and operate the entirety of the Premises and all Improvements and facilities thereon at Tenant's sole cost and expenses.
    c. Satisfactory Condition. Tenant will not do or permit anything that would deface, damage, or deteriorate the value thereof, and agrees it will leave the Premises in a condition satisfactory to the County if and when it vacates the Premises with normal wear and tear accepted.
    d. County Inspection. The County shall have the right to inspect the Leased Premises during regular Business Hours for compliance with this Lease and the Airport Minimum Standards and Rules and Regulations. In good faith, the County shall attempt to provide Tenant with 48-hours' advance notice, except in the event of an emergency in which no notice need be given.

10. IMPROVEMENTS
    a. "Improvements" as used in this Agreement shall include any equipment, structures, electrical and plumbing additions, landscaping, and any other enhancement made and affixed to the Premises by the Tenant.
    b. Tenant accepts the Leased Premises in as-is condition. Tenant, at its expense, shall have the right following the County's written consent to make

Improvements to the Leased Premises as Tenant may deem desirable provided such Improvements are made in a workmanlike manner and utilizing good quality materials.

c. Plans and specifications for Improvements to be constructed on the Premises shall require written approval from the County prior to commencement of construction or installation of any Improvements.
d. Any modifications or alterations in such plans or concerning any Improvements to the Premises shall similarly require written approval by the County before the Improvements are installed.
e. All construction plans and specifications for any Improvements, including site work such as ramp access, shall conform in all respects to the architectural requirements of County ordinances, building codes and regulations of County and such other authority as may have jurisdiction over the Premises or Tenants operations thereon.
f. Prior to any initial construction within the Leased Premises in an area that is not already surfaced, Tenant shall have a geo-technical engineer prepare a soil report if deemed necessary by the County.
    i. Tenant shall submit the soil report to the County for approval, together with plans, drawings, sketches, designs and specifications for all construction activity on the Premises, including landscaping.
    ii. Tenant shall ensure that all improvements constructed on the Premises shall be in accordance with the recommendations contained in the soil report and the plans and specifications approved by the County.
    iii. The approval given by the County shall not constitute a representation or warranty as to such conformity with zoning laws, regulations or building codes; responsibility therefore shall at all times remain with Tenant.
g. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations, as amended from time to time, in the event any future structure or building is planned for Premises, or in the event of any modification or alteration of any future building or structure situated on the Premises.
    i. <u>Tenant agrees to complete Form FAA 7460-1Notice of Proposed Construction if there is any adjustment in height or penetration of Part 77 airspace surfaces.</u>
    ii. Nothing in this Agreement shall be construed to prevent County from taking any action it considers necessary to protect the aerial approaches to the Airport from obstructions, or to keep the County from preventing the Tenant from erecting, or permitting to be erected on the Premises, any building, structure, or obstruction which, in the opinion of the County, would limit the usefulness of the Airport or constitute any kind of hazard to aircraft.
h. Failure of Tenant to complete the construction Improvements within a reasonable period not to exceed nine (9) months after having commenced construction, Tenant shall, at its sole cost and expense, if requested in writing by the County, cause such incomplete improvements to be removed from the Premises.

i. Prior to the construction of any Improvements, and as a condition to obtaining County's approval of tenant's plans as set forth above, Tenant shall obtain and provide to County a security deposit, letter of credit, bond from a surety company acceptable to County, or other security acceptable to County (the "Deposit").
    i. The Deposit shall be in an amount sufficient to cover the costs and expenses of removing the improvements from the Premises in the event Tenant fails to complete construction of the Improvements and remove the same.
    ii. County will be entitled to apply the Deposit to such costs of removal.
    iii. The Tenant deposit shall not be released until construction of the improvements are complete.

j. During the Term of this Agreement, Tenant shall own all Improvements permitted by County and constructed on the Premises.

11. FINANCING
    a. Subject to this Section, Tenant shall have a right to secure the Premises via a UCC financing statement (a "Security") on Tenant's interest in the Improvements constructed by Tenant and Tenant's leasehold interest in the Premises.
    b. Such Security shall not encumber County's fee interest in the Premises or County's reversionary interests in the improvements.
    c. Such Security shall be subject to the terms and conditions of this Lease and shall not modify any of the provisions of this Lease.
    d. In the event the holder of the Security seeks foreclosure on the financed interest, the County shall recognize the purchaser at a foreclosure sale as the Tenant hereunder so long as such purchaser cures (i) any monetary defaults of any prior Tenant within thirty (30) days of such foreclosure; (ii) all non-monetary defaults of Tenant within sixty (60) days of such foreclosure; and (iii) pledges to be bound by this Agreement in writing.
    e. Nothing herein shall permit a lender, creditor, or any purchaser at a foreclosure sale to remove any improvements from the Premises.

12. TAXES AND LICENSES
    a. Tenant shall pay on or before the last date on which payment therefore may be made without penalty or interest, and regardless of whether Grand County is a party thereto, all taxes, assessments, licenses and charges levied against Tenant's personal property, and all licenses and permits necessary for Tenant's operations under Federal or State statutes or local ordinances, insofar as they are applicable to Tenant's operations or use of the Premises at the Airport (hereinafter called "Impositions").
    b. Tenant may protest by appropriate proceedings in good faith and at its expense, the existence, amount, or validity of any Imposition and the extent of Tenant's liability therefore.
    c. Tenant agrees to indemnify County and hold County harmless from any and all losses, judgments, decrees, costs, (including reasonable attorney's fees), claims or demands for payment of any such Impositions or arising from Tenant's contest thereof.

13. REPAIR AND MAINTENANCE
    a. <u>County shall not be required to repair or maintain the Leased Premises in any way.</u> Tenant expressly waives the right to make repairs at the expense of the County provided for in any statute or law now in effect or hereafter enacted.
    b. Tenant shall not permit rubbish, debris waste material or anything unsightly or detrimental to health, or likely to create a fire hazard, or conducive to deterioration, to remain on any part of the Premises or to be disposed of improperly.
    c. Tenant agrees to maintain the Leased Premises and its Improvements adjacent to the hangar or other structure in a way that will reflect positively on the overall appearance of the Airport.
    d. Tenant shall not store any inoperable equipment unless undergoing maintenance or reconstruction.
    e. Unsightly materials not being used or creating a hazard shall be discarded or removed.
    f. If Tenant fails to make any repairs or do any work required of Tenant under the Terms of this Agreement within thirty (30) days after written notice of the need for repairs, the County may cause to be performed such work for the account and at the expense of Tenant.
        i. All sums so expended by the County, together with twenty (20%) percent of cost for administration, shall be paid by Tenant to County on demand.

14. SNOW REMOVAL
    a. County agrees to use reasonable efforts to maintain aircraft movement areas, emergency routes, and aircraft parking areas clear of snow and within ten (10') feet of any leased structure.

15. FIXTURES
    a. Subject to Section 10, Tenant may install, place and erect upon the Premises any fixtures, equipment, or other personal property related to use of the Leased Premises.
    b. Tenant shall own fixtures, equipment and personal property, whether or not affixed or attached to the Premises.
        i. Tenant shall, at its own expense, repair any and all damage done to the structure by such removal.
        ii. Tenant shall be responsible for, at its own expense, repair and upkeep of such equipment, fixtures and other personal property.

16. SIGNS
    a. Tenant shall not, without the prior written approval of the County, erect or display any sign on the Airport, the Premises or any hangar or other structure constructed thereon.
        i. The term "sign" as used herein, shall mean advertising signs, billboards, identification signs or symbols, posters or other similar devices.

b. Prior to erection, construction or placing of any sign on the Airport, the Premises or any hangar or other structure constructed thereon, Tenant shall submit to County for approval, drawings, sketches, and dimensions of such signs which shall be in accordance with duly adopted Airport Sign Standards or any applicable standards in County's Land Use Code.
c. Any conditions, restrictions, or limitations with respect to the use of such signs as are stated by the County in writing shall become conditions of this Lease.

17. FIRE EXTINGUISHERS
a. It is understood and agreed that Tenant will, at its own expense, install and maintain fire extinguishers or other fire suppression systems or equipment as is required by federal, state, and local laws.
b. Fire extinguishers and other equipment shall meet all applicable requirements as set forth in the current edition of NFPA 407 and shall be of such number and capacity as to adequately safeguard the Premises against fire hazards.

18. UTILITIES
a. Tenant agrees to pay all charges for electricity, water, sewer, trash removal and other utilities used by Tenant on the Airport at such rates as may be from time to time established by the County or applicable service provider.
b. County assumes no responsibility for such utilities.
c. County will provide a utility easement for service lines to the Premises in a location acceptable to County.
d. Tenant shall be solely responsible for bringing all utility lines to Premises and shall provide separate meters for each of Tenant's utilities. County or future Airport tenants shall be able to connect to the utility lines that are installed by the Tenant without compensation.

19. INDEMNIFICATION
a. County, its officers, representatives, agents and employees shall not be responsible or liable for, and Tenant agrees to indemnify, release and defend County, its officers, representatives, agents and employees from and against all claims, damages, expenses, liabilities and judgments: (a) for injury to persons, loss of life or damage to property occurring on the Premises or arising from their operations (including property and officers, employees and agents of County); (b) all other losses arising from Tenant's operations and other use of the Premises or the Airport pursuant to this Agreement; (c) for workers compensation claims; and (d) for acts and omissions of Tenant's officers, employees, representatives, agents, servants, invitees, patrons, customers, subtenants contractors, subcontractors, successors, assigns, suppliers, and all other persons doing business with Tenant (excluding County, its officers, employees, representatives, and agents).
b. Tenant shall not be liable for damage or injury occasioned by the negligence of the County, its designated agents, servants or employees.
c. Tenant's liability under this paragraph shall be reduced by the proceeds from any insurance carried by Tenant to the extent that such proceeds are applied toward payment of such claims, damages, expenses, liabilities and judgments.

20. INSURANCE

a. County hereby expressly disclaims any and all liability for any and all losses, damage, and/or claims to the aircraft, vehicles, and/or personal property or possessions of the Tenant or for aircraft, vehicles, and/or personal property or possessions of other which are in the care, custody, and control of Tenant, including but not limited to the loss of use and/or diminishment of value.

b. Tenant agrees to carry and keep in force applicable insurance coverage of each policy or policies, as follows:

    i. **Commercial General Liability / Aviation Liability Insurance:** including property damage, bodily injury and personal injury in amounts not less than:

        1. $2,000,000 per occurrence and $4,000,000 aggregate;

    ii. **Commercial Automobile Liability Insurance:** for bodily injury and property damage for owned, non-owned and hired vehicles used in the operation of Tenant's business, if any, in amounts not less than:

        1. $1,000,000 per occurrence with no limits;

    iii. **Storage Tank Liability:** in amounts not less than:

        1. $1,000,000 per occurrence with no limits;

    iv. **Pollution Liability for Commercial Operators:** for environmental clean-up costs, transportation of wastes or products, and claims for bodily injury and property damage for losses related to pollution conditions, in amounts not less than:

        1. $1,000,000 per occurrence and $2,000,000 aggregate;

    v. **Property Insurance:** against all risks of loss to any Improvements, including any hangar or other structure constructed on the Premises, at full replacement cost with no coinsurance limits maintained.

c. The limits of insurance shall not in any manner impair the obligations of Tenant to indemnify, protect, defend and hold harmless County as specified in this Agreement.

d. Each insurance policy must include Grand County as additional insured.

e. Tenant shall provide County with Certificates of Insurance evidencing Tenant's compliance with the requirements of this paragraph upon execution of this Agreement, annually in January of each year, and within 5 days of request by the County, which certificates shall be attached hereto as ***Exhibit B***.

    i. Any insurance policy shall be written by insurance companies authorized to do business in the State of Utah and shall be written by companies approved by the County, such approval not to be unreasonably withheld.

    ii. Certificates of insurance shall be delivered to the County at least ten (10) days prior to the effective date of the insurance policy for which the certificate is issued.

    iii. Each such certificate shall contain (a) a statement of the coverage provided by the policy; (b) a statement certifying County is listed as an additional insured in the policy; (c) a statement of the period during which the policy is in effect; (d) a statement that the annual premium of the advance deposit premium for such policy has been paid in advance;

and (e) an agreement by the insurance company issuing such policy that the policy shall not be canceled or reduced in amount for any reason whatsoever without at least thirty (30) days' prior written notice to County.

f. To the extent allowed by the State of Utah law, the Parties hereto each hereby release and relieve the other and waive their claim of recovery for loss or damage to property on the Premises arising out of, or incident to fire, lighting and other perils to the extent that said claims, actions, damages, liability and expenses are covered by insurance of either Party, whether due to negligence of either Party, their agents, or employees or otherwise so coverable by insurance. The Parties agree to cause such release and to endorse such provisions of insurance policies issued for the Premises or Parties which are the subject of this Agreement.

g. If Tenant, for any reason, fails to maintain insurance coverage as required by this Agreement, the same shall be deemed a material breach of this Agreement. i. The Tenant must cease operations during any vacancy in insurance coverage until coverage has been approved.

21. DAMAGE OR DESTRUCTION

a. If any portion of the Premises or the Tenant improvements is damaged in any manner, Tenant shall promptly remove from the Airport all debris and cause repairs to be made to restore the same to an orderly and safe condition. All work shall be performed in accordance with plans and specifications that are approved by County 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 subtenant or assignee) to performing such work. If County performs such work, such Tenant insurance proceeds shall be paid to County. If the Premises or Tenant Improvements are tenantable despite such damage, Tenant shall not receive any abatement of Tenant's rent obligations. To the extent that any portion is rendered untenantable by such damage in light of the purposes of this Agreement (as determined by County in its sole and absolute discretion), rent shall continue if Tenant has business interruption insurance, or if Tenant does not have such insurance, County shall abate Tenant's rent proportionately until repairs have been substantially completed (as determined by County in its sole and absolute discretion).

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 County), all compensation from such proceeding shall be paid to County except that Tenant may pursue a claim against the condemnor for the value of the Tenant Improvements and Tenant's leasehold interest. In the event of a partial taking, County shall reduce the ground rent payable by Tenant on a pro rata basis for portions of the Premises so taken. If all or a material portion of the Premises is rendered untenantable as a result of such taking, Tenant may terminate this Agreement by giving County a written notice of termination within thirty (30) days of the time when the condemnor takes or is deemed to have taken possession of any portion of the Premises, and this Agreement shall terminate thirty (3) days after County receives such notice; provided, however, that if County pursues an action to contest whether any portion of the Premises has been rendered untenantable, this Agreement shall terminate as determined by a court.

c. In the event of damage or destruction, and after reasonable notice to Tenant, Landlord may enter the Leased Premises for any purpose necessary or incidental to its rights and duties under this Section 18, including inspection, repair, and improvement, until the Leased Premises are restored.

22. OBLIGATIONS OF COUNTY
    a. Clear Title.
        i. County covenants and agrees that at the granting and delivery of this Agreement it is well seized of the Premises and has good title thereto and that County has full right and authority to lease the same.
    b. Operation as a Public Airport.
        i. County or its successor covenants that it will operate and maintain the Airport as a public airport consistent with and pursuant to the Sponsor's Assurances Agreement given by County to the United States Government under the Federal Airport and Airway Development Act.
    c. Approval of Plans.
        i. In the review and approval of Tenant’s plans for construction, installation or modification of improvements or of subsequent alterations, as herein set forth, County agrees to act promptly and reasonably upon requests of approval for any plans, changes or alterations thereto.
    d. Maintenance of Airport.
        i. County reserves the right to develop, improve, and maintain all Public Airport Facilities as the County shall see fit.
        ii. County shall, throughout the term hereof, maintain all public areas and facilities, such as access roads on the Airport, in good and adequate condition for use by cars and trucks, and shall maintain clear and uninterrupted access to the parking area over said access areas and roads; provided, however, County may, at any time, temporarily or permanently, close any roadway or right of way for such access, ingress or egress whether inside or outside the terminal building, or any other area at Airport, in its environs presently or hereafter used as such, so long as a means of access, ingress and egress reasonably equivalent to that formerly provided, and not adverse to Tenant's continued use and enjoyment of the Premises is substituted therefore and is concurrently made available therefore.
        iii. Tenant understands and agrees that there may be inconveniences caused by inclement weather and construction or renovations of buildings and roadways, and Tenant hereby releases and discharges County from any and all claims, demands or causes of action which Tenant now or any time hereinafter may have against County arising or alleged to arise out of the closing of any right of way or other area used as such, whether within or without Airport.
        iv. If Tenant shall damage any facility of the Airport, including but not limited to hangars, buildings, runways, taxiways, roads, utility

extensions, lighting, signs, towers, signs or any other similar facility, Tenant shall be obligated to pay the necessary and reasonable cost of repairs to County without regard to whether or not said damage is caused by negligence on the part of Tenant.

23. RELOCATION OF PREMISES
   a. County may, to conform to the Master Plan for the Airport, at its option, relocate the Premises covered by this Lease to another part of the Airport at its sole cost upon ninety (90) days prior written notice to Tenant, at any time during the term of this Agreement; provided that such right to relocate shall not treat Tenant less favorably than other tenants of County similarly situated.
   b. At the time of such relocation, County may purchase from Tenant at fair market value as determined by appraisal performed by a local appraiser acceptable to both Tenant and County, all fixed improvements on the Premises, at the County's election.
   c. In the event that the Premises is relocated, County shall provide Tenant with a similarly sized leased space, in a location generally comparable with adequate access to airplanes, motor vehicles and pedestrians to and from the new structures, runways, taxiways, and from adjacent streets and sidewalks, and the Tenant may not surrender possession of the original improvements until they have constructed or reconstructed similar improvements.
   d. No termination, whether by County or Tenant, shall be effective until Tenant has received payment for structure as provided above.
   e. County shall also have the right upon ninety (90) days prior written notice to Tenant, at any time during the term of this Lease or as the same may be extended, to make such minor alterations of the parking area as are reasonable, provided that (a) County shall not treat Tenant less favorably than other tenants of County similarly situated, (b) such alterations shall be at no cost to Tenant, (c) no such alterations shall deprive Tenant of any portion of the Premises or any rights of use thereof as granted by this Lease.
      i. Upon such alterations, County agrees to furnish Tenant with a new plot plan and legal description and the rent under this Lease shall be reduced to the extent Tenant is deprived of the use or benefit of any portion of the Premises or of any rights under this Lease.

24. DEFAULT
   a. The following shall constitute a material default and breach of this Agreement by the Tenant:
      i. Failure to Pay Rent / Amounts Due.
         1. The failure of Tenant to pay any amounts due under this Agreement after fees are due, or any failure to perform any other of the term, condition or other obligations of this Agreement to be observed or performed by Tenant for more than sixty (60) days after written notice of such failure is given to Tenant, shall be a material default and breach of this Agreement.
      ii. Abandonment of Premises.

1. If Tenant should abandon the Premises for a period of sixty (60) days or longer, the abandonment shall be a material default and breach of this Agreement.

iii. Provides Materially False Information.

1. If the County determines that Tenant, or an agent of Tenant, falsifies any report furnished to the County pursuant to the terms of this Agreement, and upon expiration of the time for administrative appeal of the final decision, the false reporting shall be a material default and breach of this Agreement.

iv. Bankruptcy or Insolvency.

1. If Tenant or any guarantor of this Agreement shall become bankrupt or insolvent, or file any debtor proceedings concerning the Premises in any court, or cause this Agreement to be taken under any writ of execution, or a petition seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same shall be a material default and breach of this Agreement.
    a. Additionally, the filing or execution of attachment, encumbrance, lien or stop notice either against the Premises, County, or Tenant related to the use or possession of the Premises shall be considered a material default and breach of this Agreement.
    b. Tenant shall not properly commence and expeditiously pursue action to dismiss any such involuntary petition or answer or to vacate such receivership, or, if after diligently exhausting Tenant's remedies, such petition shall not be dismissed or the receivership vacated within ninety (90) days.

v. Unapproved or Unauthorized Transfer of Interest.

1. If Tenant should make an unapproved or unauthorized transfer of any interest acquired under this Agreement, or assign this Agreement for the benefit of creditors, the same shall be a material default and breach of this Agreement.

vi. Conviction of a crime related to Tenant’s operations or property.

1. Tenant’s conviction of a crime related to its operations or property shall be considered a material default and breach of this Agreement, including but not limited to a conviction for failing to abide by a federal order, including the federal mask mandate.

vii. Failure to Comply with Minimum Standards and Rules and Regulations.

1. Failure to comply with the County’s Minimum Standards or Rules and Regulations, which failure shall be established as provided therein, shall be a material default and breach of this Agreement.

viii. Failure to Comply with Insurance Requirements.

        1. Failure to comply with insurance requirements as needed for the type of operation in relation to this Agreement shall be a material default and breach of this Agreement.
    ix. Other Agreement Provisions.
        1. Failure to comply with provisions of this Agreement within fourteen (14) days after written notice of such failure to comply shall be a material default and breach of this Agreement.

b. Termination. In the event of any such material default and breach of this Agreement, the County may unilaterally, immediately terminate this Agreement upon written notice to Tenant, at which time Tenant shall immediately vacate the Premises and remove all personal property, including any aircraft, from the Premises. Tenant shall be obligated to pay all unpaid rental obligations and fees due hereunder.

c. In addition to any other rights and remedies prescribed in State of Utah law, upon Tenant's material default and breach of this Agreement may avail itself of the following remedies, which are cumulative and not exclusive, and may assess civil fines against Tenant as established in Section 3.06.260 of the Grand County Consolidated Fee Ordinance, as amended:
    i. Right of Surrender.
        1. Tenant may surrender possession of the Premises at any given time by giving the County notice of its intent to surrender the Premises. Upon receiving notice of intent to surrender, the County may agree not to evict Tenant on the condition that the Tenant surrenders possession of the Premises in a timely manner.
        2. Upon surrender of the Premises to County, this Agreement shall terminate and Tenant will be obligated to pay County any and all outstanding unpaid rental amounts, fees, or late charges as outlined in this Agreement as applicable and subject to County's duty to mitigate any damages.
    ii. Right to Re-Enter.
        1. County may seek to reenter and recover possession of the Premises by any lawful means available under State of Utah law, in which case this Agreement shall immediately terminate, and Tenant must immediately remove all personal property, including aircraft, from the Premises.
    iii. Right to Relet Premises.
        1. Should County elect to re-enter the Premises, as herein provided, or take possession of the Premises pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Agreement or it may from time to time, without terminating this Agreement, make such alterations and repairs as may be necessary in order to relet the Premises at such rental or rentals and upon such other terms and conditions as County in its sole discretion may deem advisable.
        2. Upon each reletting, all rentals received by the County from such reletting shall be applied first to the payment of any indebtedness

other than rent due hereunder from Tenant to County; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorney's fees and of costs of such alterations and repairs; third, to the payment of residue and unpaid hereunder, and the rent due, if any, shall be held by County and applied in payment of future rent as the same may become due and payable hereunder.

3. If such rentals received from such reletting during any month are less than that to be paid that month by Tenant hereunder, Tenant, upon demand shall pay any such deficiency to the County.

d. Damages.

   i. Should County terminate this Agreement at any time for any such breach, County may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Premises, reasonable attorney's fees, and including the worth at the time of such termination the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Agreement for the remainder of the stated Term over the then reasonable rental value of the Premises for the remainder of the Term, subject, however, the County's duty to mitigate damages, all of which amounts shall be immediately due and payable from the Tenant to County.

      1. In the event a lawsuit is brought for recovery of possession of the Premises, for the recovery of rent or any other amount due under the provisions of this Agreement, or because of breach of any other covenant herein contained on the part of Tenant to be kept or performed, and a breach is established, Tenant shall pay to County all expenses incurred therefore, including reasonable attorney's fees.
      2. No remedy herein or elsewhere in this Agreement or otherwise by law, statute or equity, conferred upon or reserved to County or Tenant shall be exclusive of any other remedy, but shall be cumulative, and may be exercised from time to time and as often as the occasion may arise. Nothing herein or elsewhere in this Agreement shall be construed to relieve a Party of its duty to mitigate its damages.
      3. All monies due under this Agreement from Tenant to County shall be due on demand, unless otherwise specified, and if not paid when due, shall bear interest at the rate of 1.75% per month, or 21% per annum until paid.

25. COSTS AND ATTORNEYS' FEES

   a. The parties agree that in the event of default, the defaulting party agrees to pay all reasonable costs and attorney's fees and expenses in enforcing this Lease. Any action commenced concerning the provisions of this Lease shall be in Grand County, Utah.

26. CANCELLATION BY TENANT
    a. This Agreement shall be subject to cancellation by Tenant after the happening of one or more of the following events:
        i. The permanent abandonment of the Airport for general aviation;
        ii. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as to substantially restrict Tenant for a period of at least ninety (90) days from operating thereon;
        iii. Issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the Airport;
        iv. The default by County in the performance of any covenant or agreement herein required to be performed by County and the failure of County to remedy such default for a period of thirty (30) days after receipt from Tenant of written notice to remedy the same. If the nature of the default is such that it cannot be cured within thirty (30) days, County shall be deemed to have cured such default if it, or its nominee, shall, within such thirty (30) day period, commence performance to cure default and thereafter diligently prosecute the same to completion.
    b. Tenant may exercise such right of termination by written notice to the County at any time after the lapse of the applicable periods of time and this Agreement shall terminate as of that date. Annual rent and other fees due hereunder shall be payable only to the date of said termination.

27. RIGHTS UPON TERMINATION
    a. This Agreement is terminable with cause by either Party upon sixty (60) calendar days written notice setting forth a date of termination of the Agreement. b. Upon notice of termination, Tenant shall be obligated to pay any rental obligations or other fees due and owed the County by the termination date. c. Upon the termination date, Tenant shall vacate the Premises and immediately remove all personal property, including any aircraft, from the Premises. d. Upon termination of this Agreement for any reason, including expiration of the full term of said Agreement, and any extensions or renewal, County may require Tenant to remove any structures Tenant has title to from the Premises. Said removal shall occur at Tenant's expense and shall be complete, including the capping of all utility services as prescribed by the County at time of removal. Removal shall be complete and acceptable to the County within one-hundred twenty (120) days from the date of termination of this Lease.
        i. If Tenant elects to remove said structure as per this paragraph, such removal shall not commence until the Tennant posts a bond with County in an amount to be mutually agreed upon, but in any case sufficient to indemnify County against any costs that might be incurred by County if Tenant shall for any reason fail to complete the removal of said structure and the cleanup of the Premises within one-hundred twenty (120) days of said termination of this Lease.

28. QUIET ENJOYMENT.
    a. County covenants with Tenant that upon performing the obligations herein provided on its part to be performed, Tenant shall have quiet enjoyment and peaceful possession of the Premises during the Term of this Agreement.

29. PUBLIC RECORDS
    a. It is specifically understood by Tenant that the County is a public body under State of Utah law and must comply with open records and meeting laws.

30. PERSONNEL AND GUESTS
    a. It is expressly understood the operations of the Tenant, its personnel and invitees shall be conducted in an orderly and proper manner and so as not to annoy or be offensive to others at the Airport, and the County shall have the right to complain to Tenant as to the demeanor, conduct, and appearance of Tenant's personnel and guests, whereupon Tenant will ensure removal or remedy the complaint.
    b. It is further expressly understood the willful failure on the part of the Tenant to remove the cause of the complaint shall require a formal complaint and review in consideration of material breach of this Agreement.

31. NON-DISCRIMINATION
    a. Tenant agrees for owners, managers, directors, supervisors, personal representations, successors in interest and assigns, as part of the consideration hereof, not to discriminate in any manner against any person or persons on account of race, color, religion, gender, secual orientation, medical status, national origin, age, marital status, or physical disability in Operator's use of the Premises, including, but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.

32. SPONSOR'S ASSURANCES
    a. This Agreement shall be subordinate to the provisions of any existing or future agreements between County and the United States Government, relative to the operation and maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal funds for the development of the Airport to the extent that the provisions of any such existing or future agreements are generally required by the United States at other civil air carrier airports receiving Federal funds and provided that County agrees to give Tenant written notice in advance of execution of such agreements of any provisions which will modify the terms of this Lease.

33. RIGHT OF FLIGHT
    a. Tenant understands and agrees that County reserves the right of flight for the passage of aircraft above the surface of the Premises in accordance with Federal Aviation Administration criteria, and such right of flight shall include the right to cause in such airspace such noises as may be inherent to the operation of aircraft

now known or hereinafter used for navigation of or flight in the air; and that County reserves the right to use such airspace for landing at, taking off from or operating aircraft on or over said Airport.

34. NOTICE AND PLACE FOR PAYMENT OF FEES

a. Any notice or demand of any kind which County may be required to serve on Tenant under terms of this Agreement, may be served upon Tenant (as an alternative to personal service upon Tenant) by mailing a copy thereof by certified or registered mail, return receipt requested, addressed to:

REDTAIL JET CENTER
Attn: JOHN RAMSEY
PO BOX 1004
MOAB, UT 84532
Phone: 435-259-7421
E-mail: JOHN@FLYREDTAIL.COM

i. Or at any other such place as Tenant may designate the County in writing.

b. Any notice or demand of any kind which Tenant may be required or desire to serve upon County under terms of this Agreement, may be served upon County (as an alternative to personal service upon County) by mailing a copy thereof by certified or registered mail, return receipt requested, addressed to:

Grand County Clerks/Auditor
125 East Center St
Moab, Utah 84532

i. Or at any other such place the County may designate to Tenant in writing.

c. Fees shall be paid to the County at the address set forth in this Agreement. d. No successor to County's interest shall be entitled to receive Fee payments until Tenant shall have been furnished with:

i. a letter signed by the grantor of such interest setting forth the name and address of the person entitled to receive such rent; and
ii. a photo static copy of the deed or other instrument by which such interest passed.

35. COMPLIANCE WITH LAWS

a. Tenant agrees to abide by and conform to all of the Airport Rules and Regulations, Minimum Standards, Airport Security Program, County policies, County ordinances, and actions by the Grand County Commission, County and State and Federal Laws and regulations pertaining to operations and activities of Tenant at or upon the Airport, whether now in effect or hereinafter enacted.

b. County agrees that such rules, regulations, ordinances and actions will not treat Tenant less favorably than those similarly situated as Tenant at the Airport.

c. Tenant agrees that if it fails to correct violations of any such Airport rules and regulations, County policies, County Ordinances, actions by the County Commission, State or Federal laws pertaining to Airport fire, health and safety within a reasonable time after actual notice of violation thereof from County, County may, in addition to any other remedies provided by law, statute or in equity, after reasonable time and notice, cause such violations to be cured for the account and at the expense of Tenant, and all sums so expended by County together with twenty (20%) percent for cost of administration shall be paid by Tenant on demand or cause this Lease to be canceled.

36. EVENT OF WAR OR NATIONAL EMERGENCY

a. During time of war or national emergency County shall have the right to establish an Agreement of the landing area or any part thereof to the United States Government for military or naval use and, if any such Agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the Agreement to the United States Government, shall be suspended.

37. ASSIGNMENT AND SUBLETTING

a. The Tenant shall not assign, transfer, sublet, pledge, hypothecate, surrender or otherwise encumber or dispose of this Agreement or any estate created by this Agreement or any interest in any portion of the same, or permit any other person, or persons, company or corporation to occupy the Premises without the prior written consent of County being first obtained and such must be made subject to the terms and conditions of this Lease. Such written consent shall not be unreasonably withheld if the assignee/transferee/sublessee demonstrates financial credibility and the proposed use is consistent with the Airport Minimum Standards and Rules and Regulations.

38. PARAGRAPH HEADINGS.

a. Paragraph headings contained herein are for convenience in reference only, and are not intended to define or limit the scope of any provisions of this Agreement.

39. APPROVAL OR CONSENT BY COUNTY.

a. Where consent or approval is required (except where clearly stated otherwise), such consent or approval shall not be unreasonably withheld by the County.

40. AMENDMENTS.

a. This Agreement may be changed, amended, or modified only upon the written consent of both Parties.

41. SEVERABILITY.

a. If any paragraph of this Agreement is for any reason found invalid or unenforceable, the invalid or unenforceable provision shall be deemed severed from the remainder of this Agreement and the remaining paragraphs shall remain in full force and effect to the fullest extent of the law.

42. MISCELLANEOUS PROVISIONS

a. The various rights and remedies herein contained and reserved to each of the parties, shall not be considered as exclusive of any other right or remedy of such party but shall be construed as cumulative and shall be in addition to every other remedy now or hereinafter existing at law, in equity or by statute. No delay or omission of the right to exercise any power or remedy shall be construed as a waiver of any default or nonperformance or as acquiescence therein.
b. Nothing herein contained nor any acts of the parties hereto shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the Parties hereto, it being understood and agreed that the relationship between the parties hereto is that of landlord and tenant.
c. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958, as amended.
d. The headings of the several articles and sections contained herein are for convenience only and do not define, limit or construe the contents of such articles and sections. When required by the context, the singular shall include the plural and the neuter gender shall include the feminine and masculine genders and shall include a corporation, firm or association.
e. All negotiations and oral agreements acceptable to both parties have been incorporated herein. This Agreement may not be amended or modified by any act or conduct of any of the parties or by any oral agreement which is not reduced to writing.
f. This Agreement has been made in and shall be construed in accordance with the laws of the State of Utah.
g. All rights and obligations of the parties under this Agreement shall bind and the benefits shall inure to their respective heirs, representatives, successors and assigns.

IN WITNESS WHEREOF, the hands of the Parties the day and year first above set forth.

REDTAIL JET CENTER
P.O. BOX 1004
Moab, UT 84532

____

JOHN RAMSEY, President   Date

GRAND COUNTY, UTAH
CANYONLANDS REGIONAL AIRPORT
110 W. Aviation Way
Moab, UT 84532

____

Jacques Hadler, Chair, Grand County Commission   Date

ATTEST:

____

Gabriel Woytek, County Clerk/Auditor   Date

EXHIBIT A

PREMISES

Description:

SPACES FOR THE FOLLOWING:

BULK STORAGE as depicted in the attached diagram consisting of 68’ X 43’ for a total 2,924 square feet.

SELF-FUELING as depicted in the attached diagram consisting of 53’ X 20’ for a total 1,060 square feet.

FUEL TRUCKS as depicted in the attached diagram consisting of 28’ X 10’ for a total 840 square feet.

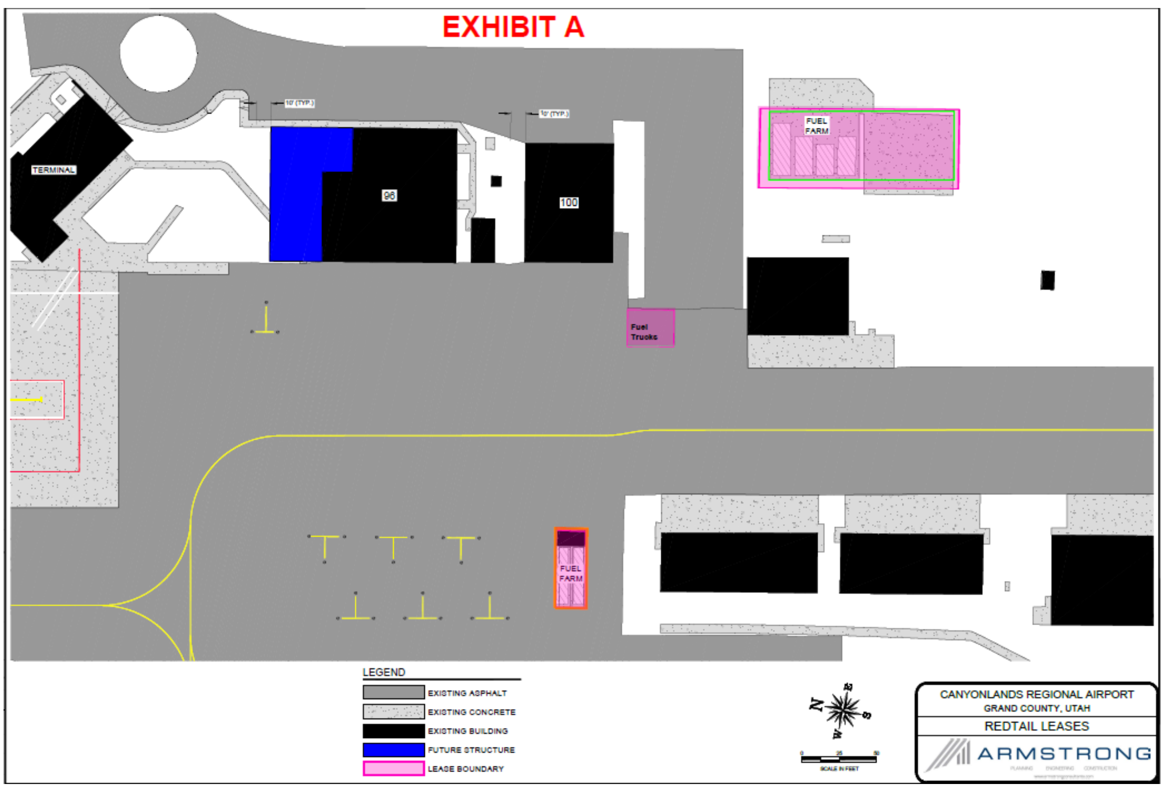

EXHIBIT B
CERTIFICATES OF INSURANCE

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/30/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	
Velocity Insurance Group, LLC 6300 Sagewood Dr., Ste H503 Park City UTI 84098	CONTACT NAME: Rod Ritter PHONE (A/C, No, Ext): (877)226-7333 FAX (A/C, No): 435-487-1214 E-MAIL ADDRESS: rritter@velocityins.com

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Redtail Air, Inc and Pinnacle Helicopters, LLC	INSURER A : Endurance American Ins. Co.	
P.O. Box 1004	INSURER B : through W. Brown and Assoc.	
121 East 100 So., Ste 108	INSURER C :	
Moab UT 84532	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** 22-23 Aviation General **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	**GENERAL LIABILITY** X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE x OCCUR x Aviation General Liability GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			NAF6051259	12/5/2022	12/5/2023	EACH OCCURRENCE	$ 5,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 250,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 5,000,000
							GENERAL AGGREGATE	$ 5,000,000
							PRODUCTS - COMP/OP AGG	$ 5,000,000
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Aviation General Liability extends to all premises necessary and incidental tothe Aviation Operations of the Named Insured

On-Premises Auto Liability extended - per policy endorsement

CERTIFICATE HOLDER	CANCELLATION
Grand County 125 East Center Moab, UT 84532	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.** AUTHORIZED REPRESENTATIVE Rodney Ritter/JODEE

COMMENTS/REMARKS

ADDITIONAL INSURED
The Certificate Holder shall be included as an Additional Insured (s) for Airport Premises Liability, but only for liability arising out of the operations of the Named Insured.

Liability extended to Mobile Equipment registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment with your permission; as per policy wording.

CERTIFICATE OF LIABILITY INSURANCE

ACORD®

DATE (MM/DD/YYYY): 12/05/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Velocity Insurance Group, LLC
6300 Sagewood Dr., Ste H503
Park City UT 84098

CONTACT NAME: Kathie Hill
PHONE (A/C, No, Ext): (877) 226-7333 **FAX (A/C, No):** (435) 487-1214
E-MAIL ADDRESS: khill@velocityins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Granite State Insurance Company	23809
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Redtail Air, Inc.
P.O. Box 1004
Moab UT 84532

COVERAGES

CERTIFICATE NUMBER: 22/23 Auto **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: POLICY; PRO-JECT; LOC; OTHER:						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
A	AUTOMOBILE LIABILITY; X ANY AUTO; OWNED AUTOS ONLY; SCHEDULED AUTOS; HIRED AUTOS ONLY; NON-OWNED AUTOS ONLY	Y		02-CA-084607161-8	12/01/2022	12/01/2023	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB; EXCESS LIAB; OCCUR; CLAIMS-MADE; DED; RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE; OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is Additional Insured as respects Business Auto Liability when required by written contract.

CERTIFICATE HOLDER

Grand County
125 East Center
Moab UT 84532

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/28/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Velocity Insurance Group, LLC 6300 Sagewood Dr., Ste H503 Park City UT 84098	**CONTACT NAME:** Kathie Hill **PHONE (A/C, No, Ext):** (877) 226-7333 **FAX (A/C, No):** (435) 487-1214 **E-MAIL ADDRESS:** khill@velocityins.com
INSURED Redtail Air, Inc. P.O. Box 1004 Moab UT 84532	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Ace American Insurance Company	
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** 22/23 Poll Liab **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC OTHER:						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR **EXCESS LIAB** / CLAIMS-MADE DED / RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Pollution Liability			G73584875001	06/17/2022	06/17/2023	Per Incident Limit	1,000,000
							Aggregate Limit	2,000,000
							Deductible	10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

See attached description of locations.

CERTIFICATE HOLDER	CANCELLATION
Grand County Utah 125 E. Center Street Moab UT 84532	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.** **AUTHORIZED REPRESENTATIVE**

Schedule of Covered Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type (UST or AST)	Retroactive Date
Redtail Air, Inc 94 W Aviation Way Moab UT 84532	01	18,000	AST	06/17/2022
Redtail Air, Inc 94 W Aviation Way Moab UT 84532	02	10,800	AST	06/17/2022
Redtail Air, Inc 94 W Aviation Way Moab UT 84532	03	10,800	AST	06/17/2022