

FIRST AMENDMENT TO THE HANGAR A LEASE AGREEMENT

This First Amendment to the Hangar A Lease Agreement (this “Amendment”), dated this 29th day of June, 2023 is entered into between the HEBER CITY CORPORATION (the “City”) and AH AERO SERVICES, LLC dba OK3 AIR (“OK3 AIR”) under the following facts:

RECITALS

A. OK3 AIR leases from the City those Premises known as “Hangar A” and defined more specifically in that certain Airport Hangar Agreement dated January 1, 1996, originally between Lessor and John D. McCoy, and assigned to OK3 AIR on August 1, 2000 (the “Hangar A Lease”).

B. OK3 AIR is authorized to provide certain commercial aeronautical services at the Heber Valley Airport (the “Airport”) pursuant to that certain Amended Agreement dated January 8, 1995, originally between Lessor and High County Aviation, Inc., and later assigned to OK3 AIR, and as amended by the Addendum to Amended 1995 Airport Agreement dated May 8, 2012 (the “First Addendum”), the Addendum to 1995 Airport Agreement dated January 26, 2015 (the “Second Addendum”), and the Third Addendum to the 1995 Airport Agreement executed contemporaneously herewith (the “Third Addendum” and, collectively, the “FBO Lease”).

C. Contemporaneously with this Amendment, OK3 AIR and the City have entered into that Settlement Agreement and Mutual Release, which resolves certain claims and potential claims among the parties (the “Settlement Agreement”). Among other provisions, the Settlement Agreement requires the parties to work in good faith to negotiate and execute a new FBO lease agreement, to serve as an amended and restated FBO Lease (the “New Lease Agreement”).

D. In order to implement the terms of the Settlement Agreement and in recognition of the good and valuable consideration therein identified, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Hangar A Lease as follows:

1. The term of the Hangar A Lease shall be extended to be conterminous with the term of the FBO Lease or the New Lease Agreement (whichever is in effect), including the optional extended term provided thereunder, if exercised. In the event OK3 AIR assigns the Hangar A Lease, the term of the Hangar A Lease to be assigned to such assignee shall be equal to the then-current term of the FBO Lease or New Lease Agreement (whichever is in effect), and the assignee of the Hangar A Lease will not receive the benefit of any then-unexercised option contained in the FBO Lease or New Lease Agreement (whichever is in effect).

2. Beginning on July 1, 2033, the annual rental rate on the Hangar A Lease shall increase to the Market Aeronautical Ground Rent, as defined below. On June 1, 2034, and then annually on each June 1 thereafter, the annual rental rate shall be increased by the lesser of (i) three percent (3%) or (ii) that percentage equal to the increase in the Mountain-Plains Consumer Price Index (the "CPI") through January 31 of the then-current year, as calculated by the U.S. Bureau of Labor Statistics or any successor agency. Notwithstanding the foregoing, the annual rental shall not decrease in any year from the year immediately prior based on adjustments to the CPI. For the purpose of this Amendment, Market Aeronautical Ground Rent shall mean that annual rental rate calculated in accordance with the following:

a. Not later than January 1, 2033, the Lessor shall retain a qualified appraiser to establish the then-current fair market rental value of the leased Premises (not including the value of improvements constructed thereon). The cost of the appraisal shall be borne by the Lessor. A copy of the appraisal shall be delivered to Lessee and to the Lessor within sixty (60) days of the

appraiser's retention. If Lessee does not reject the then-current fair market rental value as determined by the appraiser by delivering written notice to the Lessor within thirty (30) days of Lessee's receipt of the report, then such fair market rental value shall be deemed the Market Aeronautical Ground Rent.

b. If Lessee disputes the determination of the fair market rental value as determined by appraisal, the Lessee may obtain a second appraisal from a qualified appraiser at Lessee's expense. If the appraised fair market rental value as determined by the second appraisal is within five percent (5%) of the first appraisal, the Market Aeronautical Ground Rent will be that as determined in the first appraisal. If the appraised fair market rental value in the second appraisal differs from the first appraisal by more than five percent (5%), then the first appraiser and second appraiser shall jointly select a third appraiser who shall determine the fair market rental value, at the joint expense of the Lessee and the Lessor. The Market Aeronautical Ground Rent shall be the average of the two appraised fair market rental values which are closest.

3. OK3 AIR may continue to conduct any commercial aeronautical activities on or within Hangar A only pursuant to and in compliance with the terms of the FBO Lease, as it may be amended or superseded by agreement between the parties, including compliance with the Minimum Standards. It is expressly understood and agreed that the Hangar A Lease does not independently confer upon OK3 AIR, its successors, or its assigns, the right to conduct commercial aeronautical activities, it being understood that any such successor or assignee to Hangar A, should it be interested in providing commercial aeronautical services, must make separate application to the City for authority to conduct commercial aeronautical activities pursuant to the Minimum Standards or such other applicable policies of the City then in effect. Notwithstanding the foregoing, a successor or assignee to OK3 AIR's rights and interest under the Hangar A Lease

which also succeeds to or is assigned OK3 AIR's rights and interest under the FBO Lease (or the New Lease Agreement, whichever is then in effect) shall be permitted to conduct commercial aeronautical activities within Hangar A pursuant to and in compliance with the FBO Lease (or the New Lease Agreement, whichever is then in effect).

4. Should Lessee materially default on the covenants and obligations set forth in any other written agreement between Lessor and Lessee concerning the use or lease of Airport property, as determined by a court of competent jurisdiction's final, non-appealable judgment, after first being provided all applicable notice and cure periods and participating in the agreed upon dispute resolution procedures, if any, thereunder, such material default shall also be deemed a material default of the Hangar A Lease, and Lessor shall thereafter be entitled to exercise any or all of its rights and remedies under the Hangar A Lease at law or in equity arising out of such default.

5. Any dispute arising out of, relating to, or in connection with the Hangar A Lease, as amended hereby, including any questions regarding its existence, validity, or termination, shall be resolved as set forth in the attached Disputed Resolution Protocol (Exhibit A).

6. The Hangar A Lease shall be terminable by Lessor upon one hundred eighty (180) days' notice of Lessor's determination, in accordance with an FAA-approved Airport Layout Plan, that the premises or a portion thereof is needed to facilitate the upgrade of the Airport to an Airport Reference Code of C-II or greater, as defined by applicable FAA Advisory Circulars. In the event the Hangar A Lease is terminated under this paragraph, the City's liability to Lessee, if any, shall be limited to the value of any remaining term between the date of termination and July 1, 2033, calculated in accordance with Paragraph 19 of the Hangar A Lease.

7. Except as amended hereby, the Hangar A Lease remains in full force and effect and is ratified and confirmed by Lessor and OK3 AIR. In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Hangar A Lease, the terms and provisions of this Amendment shall govern and control in every instance.

8. As used herein and for the avoidance of doubt, the terms “Lessee” and “Lessor” shall mean the then-current lessee and lessor of the Hangar A Lease, as the parties’ respective interests in the Hangar A Lease may be subsequently assigned or succeeded.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the dates as set forth below:

HEBER CITY CORPORATION

DocuSigned by:
Matt Brower
644245F9CDB24BE...

Attest:

DocuSigned by:
Trina Cooke
CB019A1A3164422...

AH AERO SERVICES, LLC

DocuSigned by:
Nadim Abutaidar
6C4AE81973F245F...

Attest:

DocuSigned by:
Maggie Abutaidar
90A8E00EFBEE438...

EXHIBIT A

DISPUTE RESOLUTION PROTOCOL

- A. NOTICE AND OPPORTUNITY TO CURE. Unless a shorter cure period or right to immediate termination is expressly provided in this Hangar A Lease Agreement, no Party shall be considered in default of any provision of this Agreement, or any covenant or obligation pertaining to the use or occupancy of Airport property, and no right of termination shall arise, unless and until the counter-Party has provided such Party with written notice of default and not less than thirty (30) days to cure such default or, if the default is not capable of cure within thirty (30) days, such Party has within thirty (30) days commenced, and thereafter diligently proceeds to complete, those actions reasonably necessary to cure such Party's default.
- B. INFORMAL DISPUTE RESOLUTION. The Parties agree that, at all times, they will attempt in good faith to resolve all disputes that may arise under this Agreement. Upon receipt of written notice of a dispute from a Party, the Parties agree to refer the dispute to the City Manager, for the City, and the Chief Executive Officer, for Lessee (collectively, "**Designated Persons**"). The Designated Persons shall within fifteen (15) days of such written notice meet and negotiate in good faith to resolve the dispute, conferring thereafter as often as they deem reasonably necessary, and shall gather and in good faith furnish to each other any information pertinent to the dispute. All communications between the Designated Persons during the dispute resolution procedures set forth in this Paragraph shall be deemed confidential and treated as compromise and settlement negotiations and shall not be admissible in evidence by any proceeding without the mutual consent of the Parties.
- C. MEDIATION. Mediation of a dispute arising under this Agreement may not be commenced until the earlier of: (i) such time as both of the Designated Persons, after following the procedures set forth in Paragraph A and B hereof, conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely or (ii) fifteen (15) days after the date of the notice referring the dispute to the Designated Persons. If, after such time period, the dispute remains unresolved, the Parties shall attempt to resolve the dispute through mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures. The place of mediation shall be in Heber City, Utah, unless the parties agree otherwise. Mediation under this paragraph shall be a necessary prerequisite to any judicial action to enforce the terms and conditions of this Agreement, unless waived in writing with the mutual consent of both Parties.
- D. JURISDICTION, VENUE AND APPLICABLE LAW. With respect to an action to enforce the terms and conditions of this Agreement only, the Parties consent to the exercise of jurisdiction of Fourth Judicial District, Wasatch County, District Court and hereby agree that the venue of any action with respect to the enforcement of the terms and conditions of this Agreement shall be properly placed before this same court. This Agreement shall be interpreted under the laws of the State of Utah.

- E. Emergency Relief. No Party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and is not otherwise available under this Agreement.

- F. Tolling. If a Party receiving a notice of default under this Agreement contests, disputes or challenges the propriety of such notice by making application to the dispute resolution procedure in this Exhibit, any cure period that applies to such default shall be tolled for the time period between such application and the issuance of a final award.

- G. FAA Disputes. The Parties understand and acknowledge the FAA's exclusive jurisdiction to determine the City's compliance with its federal Grant Assurance obligations (a "***Compliance Dispute***"), and that any remedies which may be imposed by the FAA for noncompliance therewith are exclusive. Accordingly, in the event of a Compliance Dispute, and after exhausting the procedures described in Paragraphs A and B hereof, either Party may initiate an informal or formal complaint proceeding with the FAA in accordance with 14 C.F.R. Parts 13 and 16 or similar succeeding provisions, without regard to the other provisions hereof.