

**Addendum to Sublease**

THIS ADDENDUM TO SUBLEASE (the "Addendum") is a part of the following sublease agreement:

This sublease agreement, as amended from time to time, between \_\_\_\_\_, a \_\_\_\_\_ ("Landlord") and \_\_\_\_\_, a \_\_\_\_\_ ("Tenant"), effective \_\_\_\_\_, 2012 (the "Sublease"), to sublease the premises specified at Exhibit \_\_\_ of the Sublease (the "Premises"), which are a portion of the master premises (the "Master Premises") under the master lease agreement between the City of St. George ("City") and Landlord dated effective \_\_\_\_\_ (the "Master Lease").

1. Addendum Has Priority over Sublease. This Addendum to the Sublease takes priority over and modifies any other terms in the Sublease that contradict this Addendum. The Sublease shall be construed in a manner consistent with the terms of this Addendum. Any provision of the Sublease that contradicts the terms of this Addendum shall be void and of no effect.

2. Sublease Subordinate to Master Lease. This Sublease is entirely subordinate to the Master Lease and shall be construed in a manner consistent with the terms of the Master Lease. Any provision of this Sublease that contradicts the Master Lease shall be void and of no effect. This Sublease does not modify the Master Lease in any manner, and Landlord and Tenant acknowledge and agree that the Master Lease shall remain fully in effect at all times and that City has not consented to, and does not consent to, any modification of the Master Lease. The Premises and Tenant's use, occupancy, and operations at the St. George Municipal Airport (the "Airport") shall at all times remain in compliance with and conform to the requirements of the Master Lease, including, but not limited to, the provisions of Sections 4, 7, and 11 of the Master Lease. Landlord and Tenant acknowledge and agree that all of City's rights as set forth in the Master Lease fully apply to the Premises and to Tenant's use, occupancy, and operations at the Airport, and City has not waived or modified any of such rights. Tenant shall not interfere with or impair any rights of City, and Tenant shall cooperate with City's administration of such rights.

3. Premises and Use. Notwithstanding any provision of this Sublease to the contrary, no portion of the Premises shall be located outside the boundaries of the Master Premises specified in the Master Lease. The condition of the Premises shall at all times conform to the requirements of the Master Lease, including, but not limited to obligations regarding maintenance and compliance with all laws and regulations pertaining to the environment. This Sublease permits only the following use for the Premises (in compliance with all federal, state, and local requirements for permits, certificates, licenses, and other operating requirements), and the Premises shall not be used for any other purposes: \_\_\_\_\_.

4. Registration of Based Aircraft. Tenant shall promptly register all of Tenant's based aircraft with City in the manner required by City in conformance with the Master Lease.

5. Sublease Term, Termination, and Attornment. Notwithstanding any provision of this Sublease to the contrary, no term or renewal term (if any) of this Sublease shall exceed ten (10) years in duration, and no such term shall exceed the duration of the Master Lease (regardless of how terminated). If a portion of any such term purports to exceed the duration of the Master Lease (whether the Master Lease expires or is sooner terminated), such portion shall be void and Landlord and Tenant agree that this Sublease shall terminate no later than the date on which the Master Lease terminates (unless City, in its sole discretion, expressly gives prior written consent to Landlord for a continuation of this Sublease on terms acceptable to City, in City's sole discretion). For every renewal term permitted under this Sublease (if any), Landlord and Tenant shall obtain City's prior written consent to such renewal term before the commencement of such term or such term shall be void and this Sublease shall terminate at the expiration of the last period approved by City's prior written consent (unless sooner terminated). If Tenant holds over after any termination of this Sublease, Landlord and Tenant agree that City may treat such holding over as a tenancy at will on City property, may terminate the same in compliance with Utah law, and may seek a recovery of City's costs and attorneys' fees in connection therewith from Landlord or Tenant or both of them. Among City's rights, Landlord and Tenant also agree that City shall have the right to terminate this Sublease by giving thirty (30) days' advance written notice to Tenant at the address set forth in this Sublease for any of the following reasons: (A) Tenant is in default under the terms stated in this Sublease; (B) Landlord is in default under the terms stated in the Master Lease; or (C) Landlord, for any reason, ceases to occupy the Master Premises or ceases to be a party to the Master Lease. Landlord and Tenant agree that if Landlord ceases to be a party to the Master Lease (and this Sublease is not terminated), Tenant shall attorn to any party succeeding to the interests of Landlord in the Master Lease, and Tenant shall execute and deliver any documents necessary or desirable in connection therewith.

6. Payment of Rent upon Landlord's Default. Landlord and Tenant agree that at any time when Landlord is in default of payment of Landlord's rent under the Master Lease (as "rent" is defined therein), City may deliver a written notice to Landlord and Tenant at the addresses set forth in this Sublease requiring Tenant to pay all rent under this Sublease to City, and thereafter Tenant shall pay such rent to City until Landlord's default to City under the Master Lease is cured in full.

7. Payment of City Charges. Tenant shall timely pay to City all charges imposed by City in connection with the Airport, including, but not limited to, fuel flowage fees, utility charges (if any), penalties imposed by City, security-related charges, and any late fees or interest imposed by City. Tenant agrees that such charges shall also include, but not be limited to, an annual SASO Operations Fee in connection with Tenant's operations at the Airport in the amount of One Thousand Dollars (\$1,000), which shall be payable to City on or before December 31 of each year. The terms set forth in Exhibit C of the

Master Lease (except Section C.1) shall apply to Tenant's payment of such City charges to City. Landlord agrees that if Tenant fails to timely pay any charge that Tenant owes to City, Landlord shall promptly pay the amount of such charge to City, and Tenant shall promptly reimburse Landlord for such payment and shall pay any additional fees or charges specified in this Sublease in connection with such payment.

8. Compliance with Laws and Directives. Tenant and Tenant's officers, employees, agents, and invitees shall comply at all times, at Tenant's sole cost, with any and all laws and regulations (as amended or otherwise modified from time to time), that are applicable to Tenant's use, occupancy, or operations at the Premises or the Airport (the "Laws and Regulations"), which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law, and other pronouncements of any kind having the effect of law including, but not limited to, the Airport's Rules and Regulations and Minimum Standards, and all laws and regulations pertaining to the environment; any and all plans and programs developed in compliance with such requirements (including, but not limited to, the Airport's Security Plan); and all lawful, reasonable, and nondiscriminatory Airport policies and other requirements. Tenant shall comply with lawful directives and requests by City in connection with the Airport. Among other things, upon request by City, Tenant will verify, within a reasonable time frame, compliance with any Laws and Regulations and provide such information to City and to Landlord.

9. Improvements and Interests in City Property. Tenant shall not make any improvements to the Premises or at the Airport (except with City's express prior written consent to Landlord, in City's sole discretion). Tenant shall not impair, encumber, lien, sublease, or damage any City property or property interest, and shall not permit any other person or entity to take such action. Tenant shall not have title to any improvement at the Premises or the Airport, whether or not constructed by Tenant.

10. City's Access to and Recovery of Premises. Tenant acknowledges and agrees that City has rights under the Master Lease to access the Premises and to work within, alter, or recover part or all of the Premises. Tenant shall not interfere with or impair any such rights of City and shall cooperate with such rights.

11. Indemnity, Waiver, Insurance, and Environmental Compliance. As part of the consideration for City's consent to this Sublease, Tenant agrees as follows:

A. Indemnity. Tenant agrees to indemnify, hold harmless, and defend City and its officers and employees from and against losses of every kind and character (including, but not limited to, liabilities, causes of action, losses, claims, costs, fees, attorney fees, expert fees, court or dispute resolution costs, investigation costs, environmental claims, mitigation costs, judgments, settlements, fines, demands, damages, charges, and expenses) that arise out of or relate to: (i) this Sublease; (ii) any use, occupancy, or operations at the Premises or the Airport by Tenant or its officers, employees, agents, or invitees; or (iii) any wrongful, reckless, or negligent act or

omission of Tenant or its officers, employees, agents, or invitees. Tenant shall use attorneys, experts, and professionals that are reasonably acceptable to City in carrying out this obligation. This obligation does not require Tenant to indemnify City and its officers and employees against losses (as defined above) that arise solely from the negligent acts or omissions of City and its officers and employees. The obligation stated in this section shall survive the expiration or other termination of this Sublease with respect to matters arising before such expiration or other termination. These duties shall apply whether or not the allegations made are found to be true.

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

C. Insurance. Tenant's insurance as set forth in this Sublease shall be in effect prior to Tenant's entry on the Premises, shall name City and its officers, employees, and volunteers as additional insureds (or in the case of property coverage, shall name City as a loss payee), and it shall be in force at all times when this Sublease is in effect. Tenant's insurance shall at all times be in compliance with City's insurance requirements as they exist from time to time (and the requirements applicable to Tenant include, but are not limited to, the terms set forth in Exhibit D of the Master Lease).

D. Environmental Compliance. Tenant agrees that all of the obligations of the Master Lease at Section 7 regarding hazardous materials shall apply to Tenant, including, but not limited to, obligations for environmental investigation, cure, remediation, and indemnity, and that such obligations shall survive any expiration or termination of this Sublease.

12. Interests in Sublease. Tenant shall not assign any of its rights under this Sublease (whether such assignment is voluntary or involuntary, by merger, consolidation, dissolution, change in control, or any other manner), shall not encumber any such rights or record this Sublease (or any document or interest relating thereto), and shall not delegate any performance under this Sublease, unless Landlord obtains City's prior written consent to the same (which City may withhold in its sole discretion). Any such unauthorized assignment, encumbrance, or delegation is void. If City gives such consent, Tenant shall not be released from any obligations for matters arising during the time when this Sublease was in effect.

13. City's Remedies. City's rights and remedies set forth in the Master Lease and this Addendum are not intended to be exhaustive, and the exercise of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently exist. Landlord and Tenant agree that City's rights and remedies, whether under this Addendum or the Master Lease or otherwise, shall not be defeated by the operation of, or by any termination of, this Sublease.

14. Incorporation of Certain Federal Terms. Landlord and Tenant agree that the following provisions of the Master Lease are hereby incorporated into this Sublease as if written herein as the rights of City and the obligations of Tenant and Tenant's officers, employees, agents, and invitees: Exhibit E, Sections E.1 and E.2. This Sublease shall at all times be interpreted to preserve the City's compliance with federal obligations.

Landlord and Tenant hereby acknowledge and agree to the terms stated in this Addendum as part of their consideration to City to obtain City's consent to this Sublease.

Landlord:

Tenant:

\_\_\_\_\_

\_\_\_\_\_

By:  
Its:

By:  
Its:

Approved as to form:

\_\_\_\_\_  
City of St George - City Attorney