

# **SOUTH JORDAN CITY PLANNING COMMISSION REPORT**

**Meeting Date: 08/13/2024**

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**Issue:** ZIPLINE  
**TEMPORARY USE - CONDITIONAL USE PERMIT**  
**Address:** 10473 South Bacchus Highway  
**File No:** PLCUP202400117  
**Applicant:** Stefanie Cooke, Zipline

**Submitted by: Damir Drozdek, Planner III**

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**Staff Recommendation (Motion Ready):** I move that the Planning Commission **approve** application PLCUP202400117 to allow a three-year extension pertaining to a temporary use for a drone and delivery launch site generally located at 10473 S. Bacchus Highway.

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<b>ACREAGE:</b>	Approximately 190 acres
<b>CURRENT ZONE:</b>	C-I (Commercial - Industrial) Zone
<b>CURRENT USE:</b>	Landfill
<b>FUTURE LAND USE PLAN:</b>	NA (Natural Area)

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## **17.18.030.080: TEMPORARY USE REGULATIONS**

General Temporary Use Regulations:

Temporary uses are uses that do not exceed sixty (60) days in duration and that do not require permanent structures or improvements that are not already established with an approved permanent use and site plan. Temporary uses that exceed sixty (60) days in duration or are not similar to allowed primary uses in a zone may only be authorized with a conditional use permit.

### **CONDITIONAL USE REVIEW:**

A use is conditional because it may have unique characteristics that detrimentally affect the zone and therefore are not compatible with other uses in the zone, but could be compatible if certain conditions are required that mitigate the detrimental effect.

To impose a condition on a use, the detrimental effect must be identified and be based on upon substantial evidence, not simply a suspicion or unfounded concern. Any condition must be the least restrictive method to mitigate the detrimental effect.

The Planning Commission shall approve a conditional use permit application if reasonable conditions are proposed, or can be imposed, to mitigate the reasonably anticipated detrimental effects of the proposed conditional use in accordance with applicable standards.

The Planning Commission may deny a conditional use permit application if the reasonably anticipated detrimental effects of a proposed conditional use cannot be substantially mitigated by the proposal or the imposition of reasonable conditions to achieve compliance with applicable standards. Further, City Code § 17.18.050 provides:

**I. COMPLIANCE AND REVOCATION:**

1. A conditional use may be commenced and operated only upon:
  - a. compliance with all conditions of an applicable conditional use permit;
  - b. observance of all requirements of this title relating to maintenance of improvements and conduct of the use or business as approved; and
  - c. compliance with all applicable local, state, and federal laws.
2. A conditional use permit may be revoked by the City Council at any time due to the permittee's failure to commence or operate the conditional use in accordance with the requirements of subsection A of this section.
3. No conditional use permit shall be revoked until after a public hearing is held before the City Council. The permittee shall be notified in writing of such hearing. The notification shall state the grounds for complaint, or reasons for revocation, and the time and location of the hearing. At the hearing, the permittee shall be given an opportunity to be heard and may call witnesses and present evidence on his or her behalf. Upon conclusion of the hearing, the City Council shall determine whether or not the permit should be revoked.

**BACKGROUND:**

The applicant is requesting that the Planning Commission review and approve a three-year extension for a temporary use Conditional Use Permit pertaining to a drone and delivery launch site. The site is located on the Trans-Jordan landfill property generally at 10473 S. Bacchus Highway.

The launch site has been operating for approximately three years now delivering healthcare and medical supplies across the valley. It received a three-year temporary use Conditional Use Permit from the Planning Commission in November 2021.

Zipline operates approximately 30 flights per day. The company hopes to expand its operations from medical and healthcare deliveries to food deliveries as well. In order to achieve this, they will make small changes to its site by adding a small trailer for food preparations. The company is hoping to double its flight numbers in three years.

Their drones are battery operated and generally quiet at cruising altitudes, which is around 300 ft. above ground. Their range is 15 miles and they carry approximately 3 lbs. per single flight. They have a 10 ft. wingspan.

## **STAFF FINDINGS, CONCLUSIONS & RECOMMENDATION:**

### **Findings:**

- There has been no complaints regarding the Zipline flights or the launch site in three years of business operations.
- Zipline appears to be current on all its certifications and permitting, including FAA.

### **Conclusion:**

- The proposed use does not appear to violate any health, safety or welfare standards. In addition, staff was not able to identify any detrimental effects associated with the use. Thus, staff recommends approval of the application.

### **Recommendation:**

- Based on the Findings and Conclusions listed above, Staff recommends that the Planning Commission take comments at the public hearing and **approve** the Application, unless, during the hearing, facts are presented that contradict these findings or new facts are presented, either of which would warrant further investigation by Staff.

### **ALTERNATIVES:**

- Approve the Application with conditions.
- Deny the Application.
- Schedule the Application for a decision at some future date.

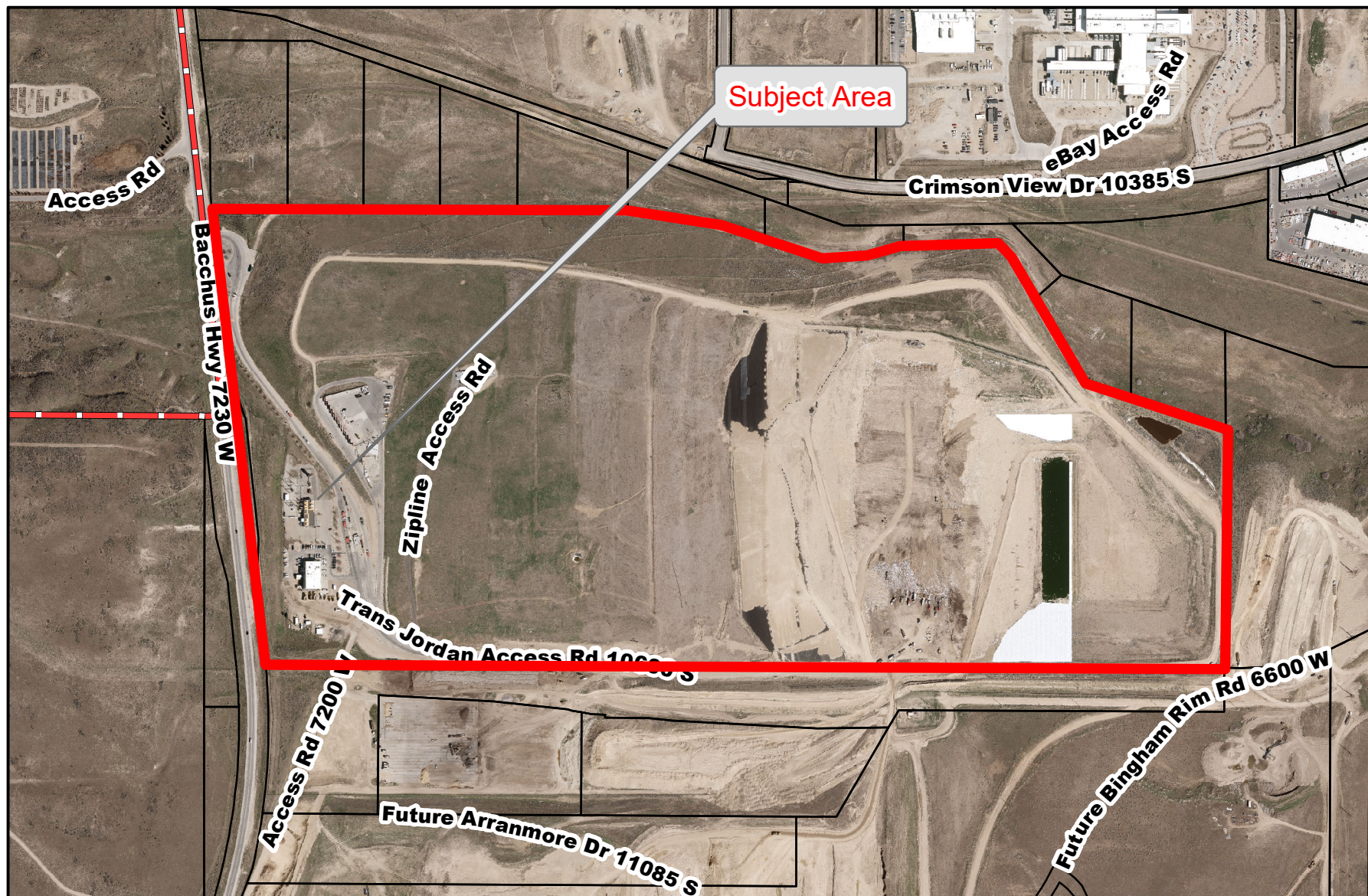
### **SUPPORT MATERIALS:**


- Aerial Map
- Zoning Map
- Zipline Renewal Letter
- Zipline Operations
- Zipline FAA Certificate
- 2021 Planning Commission Staff Report

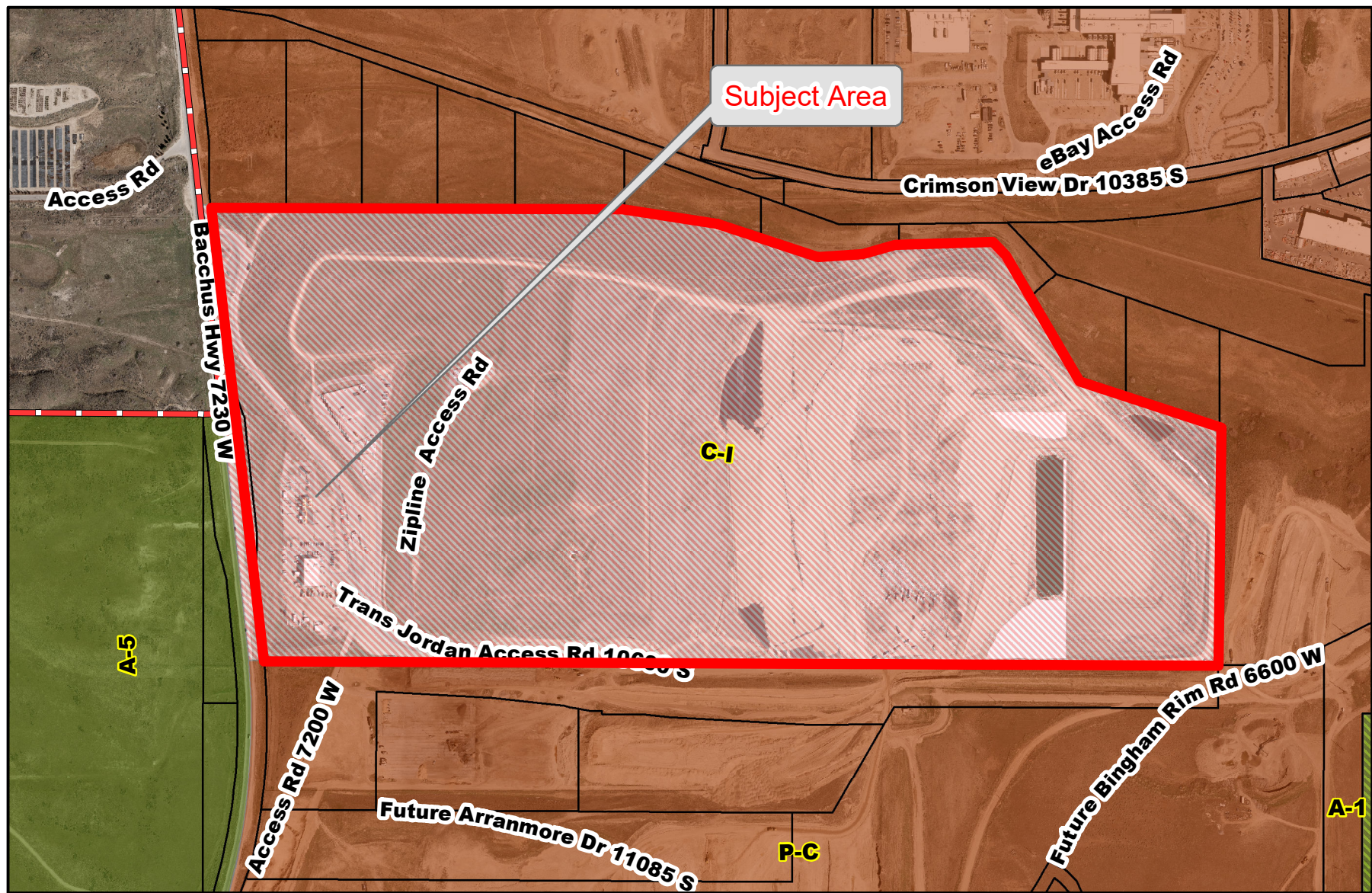



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Damir Drozdek, AICP  
Planner III, Planning Department



<p><b>Legend</b></p> <p>STREETS</p> <p>PARCELS</p>	<h2>Aerial Map</h2> <h3>City of South Jordan</h3>	<p>0 215 430 860 1,290 1,720 Feet</p> <p>Aerial Imagery 2024</p> 
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Stefanie Cooke  
Zipline International Inc.  
333 Corey Way  
South San Francisco, CA 94080

June 20th, 2024

Steven R. Schaefermeyer  
Director of Planning - City of South Jordan  
1600 W. Towne Center Drive  
South Jordan, UT, 84095

**Re: CUP Renewal Application**

Dear Mr. Schaefermeyer:

Thank you for your consideration of this Conditional Use Permit (Application Number: TMPPL2040000704) renewal application for Zipline International Inc. ("Zipline") at the Trans-Jordan Landfill Facility 10473 South Bacchus Hwy, South Jordan, UT 84009 (the "Property" or "Site").

This letter outlines background information regarding Zipline, current site operations and specifications, and updates regarding Zipline's Utah operations.

**I. Background Information**

Zipline operates the world's largest instant delivery service. We design, manufacture, and operate drones that can deliver approximately 3.3 pounds over a 15-mile service radius. To date, Zipline drones have flown over 70+ million autonomous miles and made over 1,000,000+ deliveries around the world. Indeed, every 70 seconds someone around the world receives a Zipline delivery.

Internationally, Zipline's service is used to save lives by providing immediate access to urgent medical supplies. In the United States, Zipline's goal is to provide people and communities with on-demand convenience for their medication and other everyday needs, giving them more control of their day. This customer-driven convenience is at the heart of our partnership with local health care and food service providers.

From design and manufacturing through operations, safety of the public in Zipline's service radius is at the core of our decisions made in collaboration with the FAA to ensure a safe and scalable service. Our operations will be conducted under an FAA air carrier

certification, using an aircraft also approved by the FAA - please reference our current certification attached.

Additionally, the aircraft design, manufacturing and operations are focused on ensuring a high level of safety and minimizing the environmental impact to our surroundings (e.g., our aircrafts are battery - not fuel powered). A tremendous amount of design work also has been put into minimizing the amount of acoustic and light nuisance from our operations. Indeed, our aircrafts are incredibly quiet at cruising altitude (approximately 300 ft above ground level ("AGL")) in a residential environment.

Finally, while a Zipline facility unlocks a unique delivery experience within a 15-mile radius, we are driven by the impact that our operations have across the local community. Every facility is an opportunity to expose local schools and STEM programs to state of the art technology. In all our facilities, we regularly host visitors to come learn and observe our operations, ask questions and better understand our systems. Zipline is very involved with various local STEM and youth programs. While our drones fly autonomously, our Utah facility is operated by a total of 5 people - a combination of Zipline employees and contractors with roles varying from maintenance, flight operators, fulfillment operators, flight controllers and leadership positions sourced from local talent.

## **II. Current Site Operations and Specifications**

Zipline is currently operating about 30 flights per day in Salt Lake City across use cases that include healthcare and food deliveries. Our delivery partners include Intermountain Health and GNC; and as outlined below, we are expanding with a food partner as well. We have achieved a high level of customer and partner satisfaction, which is driving higher demand to serve more residents with a wider selection of products.

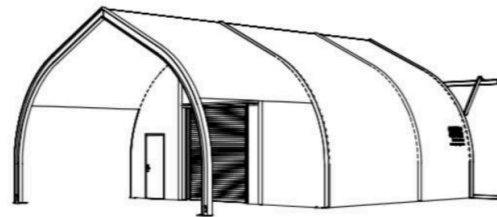
The Utah site was built consistent with the previously submitted drawings. The site requires a utility extension for a 400A/480V 3P service from Rocky Mountain Power to the site as well as fiber communication service run in parallel with the power service as shown on the previously submitted Site Plans. The site does not require water or sewage extensions. Other than portable restroom facilities, the site does not use water as part of the operations.

The site generates a minimal amount of traffic: ~5 employees commute to the site on a daily workday basis, and the site receives <10 product deliveries per week. We are currently operating from 11am-7pm Tues-Sat (these hours and days are subject to change).

Our operations structure is a prefabricated high durability membrane structure as shown below. This structure houses our drones, battery chargers, and monitors for operations.



4 EXTERIOR VIEW  
1257.0



7 EXTERIOR VIEW 2  
1257.0

Our support structures are prefabricated units used to provide a climate controlled environment to our operators and include maintenance fulfillment space. The type of unit used is shown below:



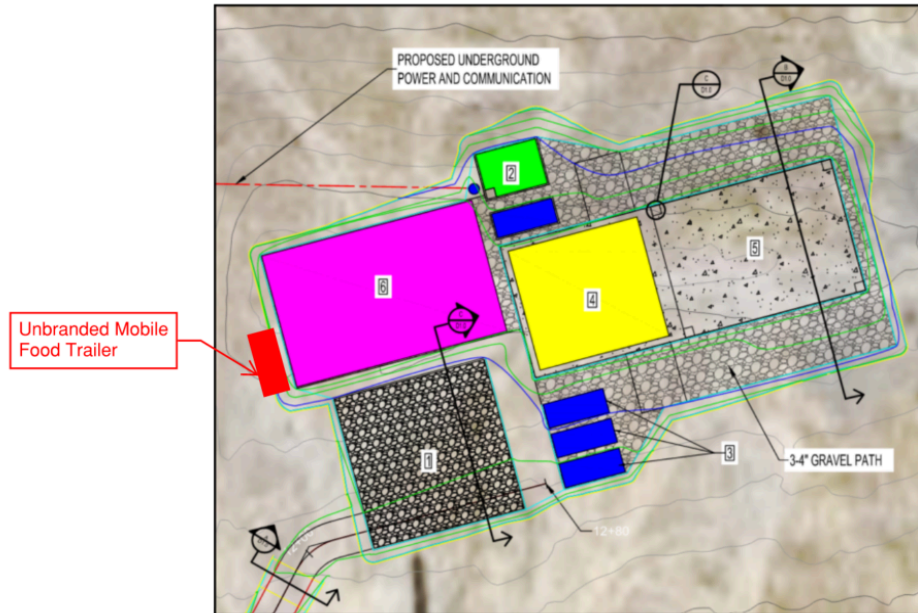
2 3D View 020421  
12" = 1'-0"

In addition, standard shipping containers are used for additional storage and maintenance space as shown in photos of our Utah site below.



### III. Updates Regarding Zipline's Utah Operations

Since our initial submission, Zipline has entered into a new partnership which involves placing an unbranded, temporary, mobile food trailer on site, as shown below in red.



The mobile trailer operations function as follows:

- Food is prepared in remote kitchens throughout SLC.
- Food is delivered to the mobile food trailer where it is cooked and packaged for delivery.
- Zipline delivers the food from the Utah site.

With concrete plans to grow our strategic partnerships and enhance our operational capabilities, we are well-positioned to capture this demand and increase our daily flight volume to about 60 flights per day over the next 3 years. This will further expand our user base and market share, solidifying our reputation as the leader in Salt Lake City's drone delivery industry, and making us a key player in the future of the city's logistics network.

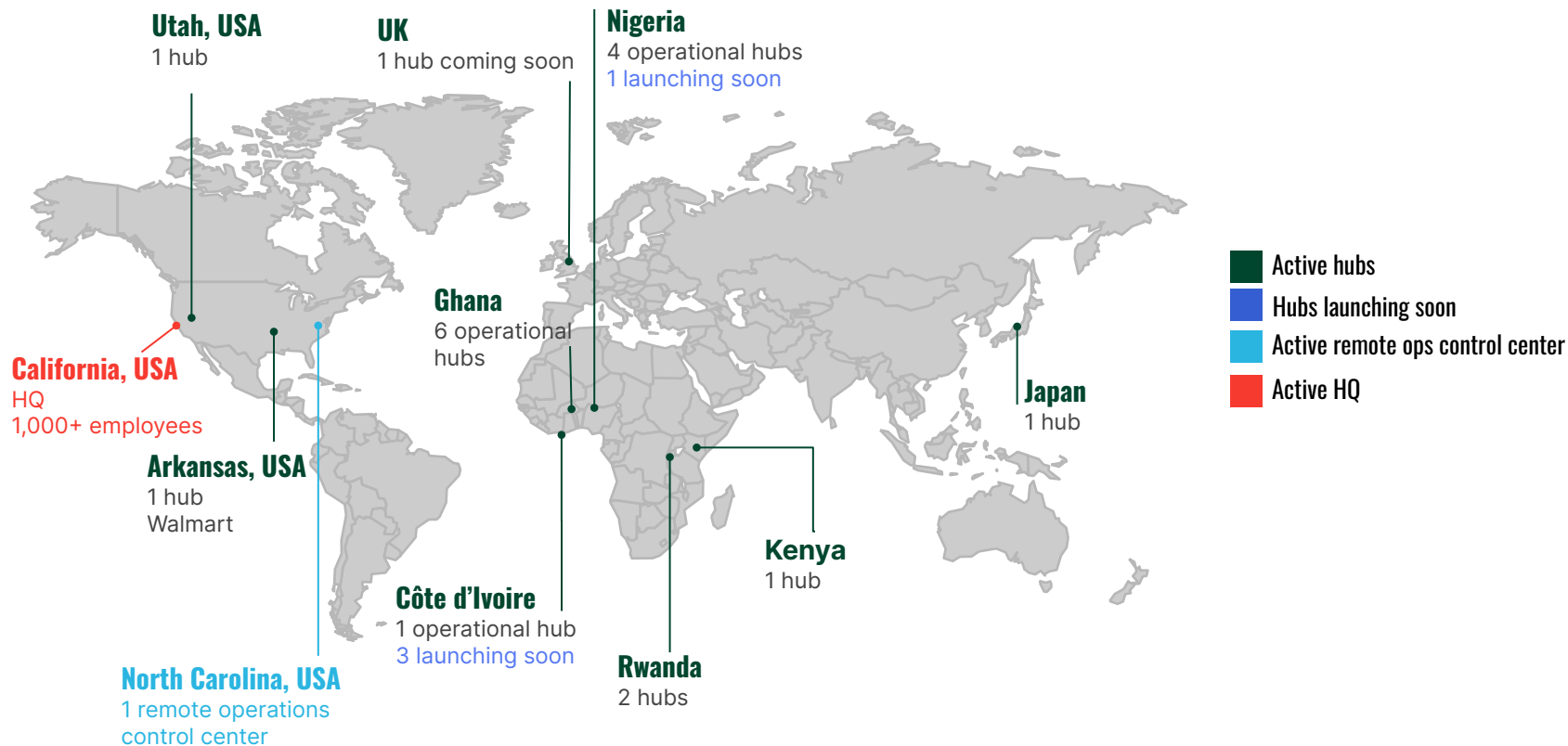
We look forward to your feedback and approval of this CUP renewal application so we can submit it to the South Jordan Building Department. Please feel free to contact me directly with any questions.

Sincerely,

*Stefanie Cooke*

New Deployments - Project Manager  
Zipline International Inc.

# Zipline: 8 years of operational experience spanning 4 continents



# Key Stats



More than **1,000,000+** commercial deliveries at 4,000+ health facilities, and 45M people served



Complete **1,000+ deliveries per day**; one **every 70 seconds**



Each delivery is made in a **zero emission** vehicle



# Investors



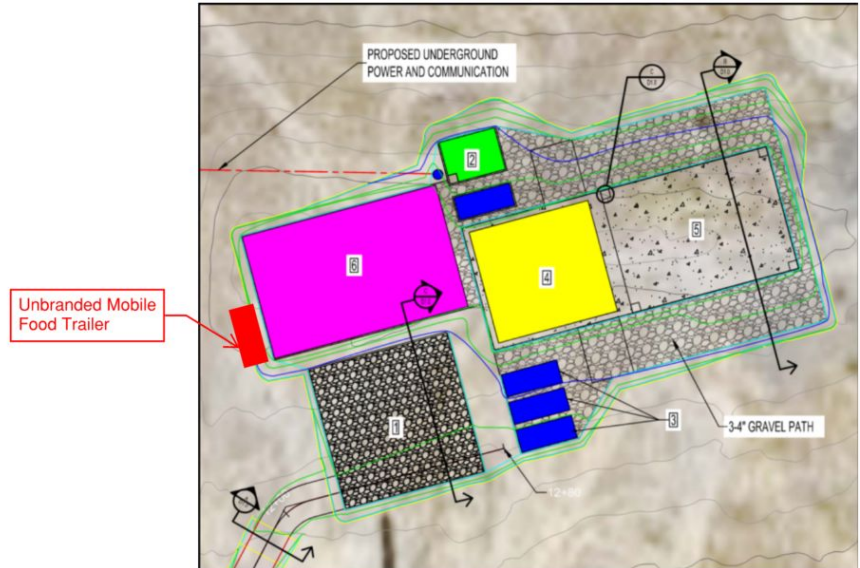
# Utah Site - Current Operations

- **Construction:** Consistent with the drawings submitted.
- **Number of Flights:** On average ~30 flights per day.
- **Traffic:** ~5 employees commuting to the site daily. Weekly van resupply runs.
- **Power:** Purchased back from the landfill. There is no backup generator.
- **Current Partners:** Intermountain Health and GNC.
- **No Complaints:** Strong relationships with landlord, neighbors and community.



# Utah Site - Operational Updates

- **New pilot partner:** Unbranded food trailer (temporary and mobile) on the West side of the site (in red).
  - Anticipating a minor increase in daily flight operations with our new partner.
- **Description of operations:**
  - Food is prepared in remote kitchens throughout Salt Lake City.
  - Food is delivered to the mobile food trailer where it is cooked and packaged for delivery.
  - Zipline delivers the food.



# How the Platform 1 Zip works

1



Aircraft is packed and launcher accelerates the aircraft to 60 mph in less than a second

2



Aircraft navigates and flies itself to the drop location

3



Aircraft descends, drops the package, and returns

4



A cable catches the aircraft's tail



## Key facts

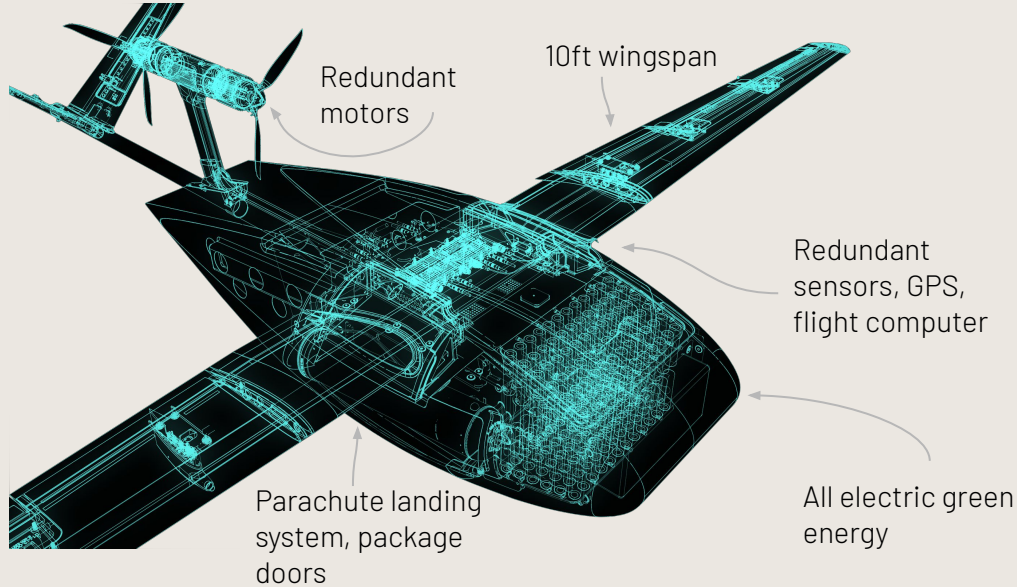
Zipline HQ	South San Francisco
Inception	2014
Employees	1000+

## Investors



# Reliable, Fast, Automated Aerial Delivery

## Platform 1 Zip



# Reliable, Fast, Automated Aerial Delivery

## Platform 1 Zip

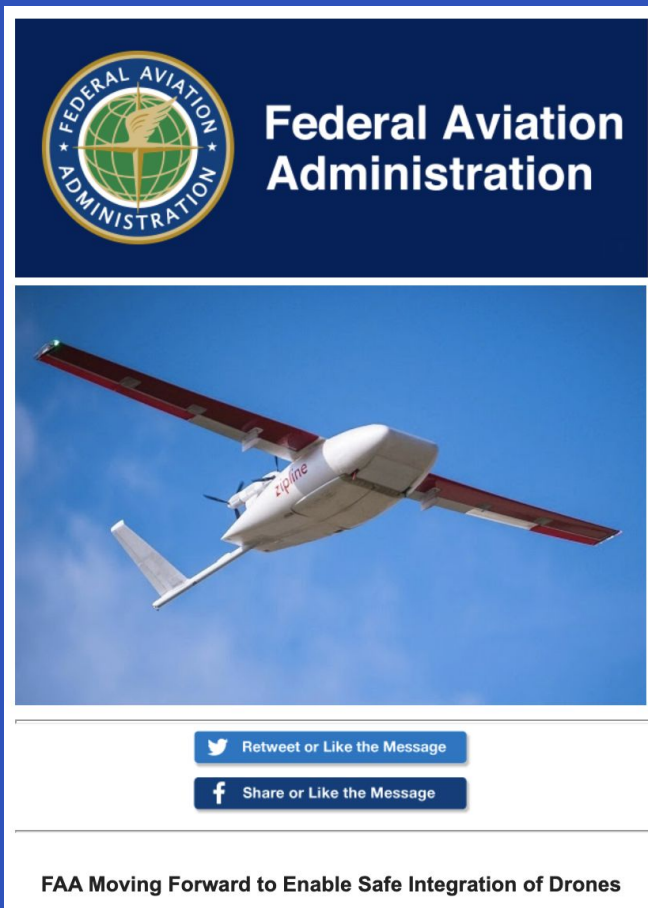


- **15 mile** service radius
- **<45 min** to deliver
- **3.3 lbs** max payload
- Tested for reliability in **hurricane force winds, heavy rain, and extreme temperatures**
- Delivery of medications including **prescriptions, cold chain, and infusions**
- **Best-in-class safety standard** rooted in design, protocols, and flight experience

# FAA-Approved Operations

All Zipline operations will be **reviewed** and **approved** by the **FAA**.

- Aircraft type certification / exemption
- 14 CFR Part 135 Air Carrier certification
- FAA closely scrutinizes
  - *Flight operations personnel*
  - *Flight and maintenance manuals, policies and procedures*
  - *Safety management system*
  - *Individual flight routes*



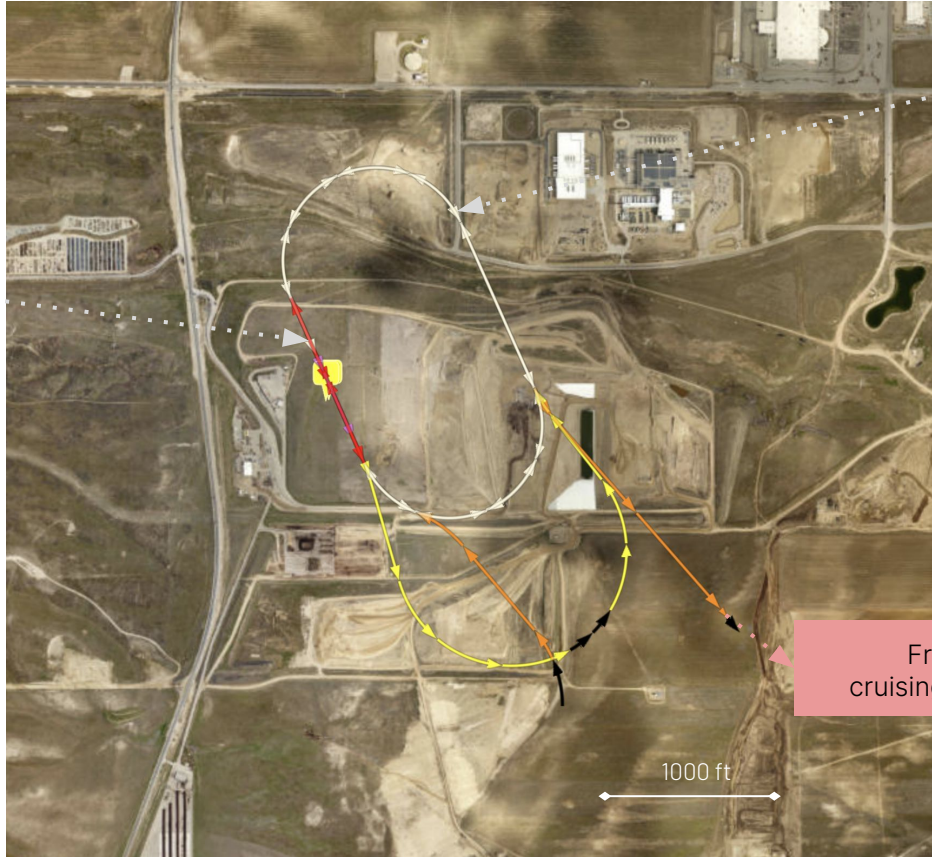
# Trans-Jordan - UT1 Operations

Launch Path

Recovery Path

From/to delivery  
cruising alt = ~300 ft AGL

1000 ft





September 18, 2023

Exemption No. 19110A  
Regulatory Docket No. FAA-2020-0529

Ms. Lauren Haertlein  
Aviation Regulatory Counsel  
Zipline International Inc.  
333 Corey Way  
South San Francisco, CA 94080

Dear Ms. Haertlein:

This letter is to inform you that the Federal Aviation Administration (FAA) has granted your petition to extend and amend Exemption No. 19110, as amended. It transmits our decision, explains its basis, and provides the revised conditions and limitations of the exemption, including the date it ends.

### **The Basis for the FAA's Decision**

By letter dated March 28, 2023, you petitioned the FAA on behalf of Zipline International Inc. (Zipline) for an amendment of Exemption No. 19110. That exemption grants relief from §§ 91.7(a) and 135.25(a) of Title 14, Code of Federal Regulations (14 CFR) to allow Zipline to conduct part 135 air carrier operations for commercial package delivery or validation flights using a small unmanned aircraft (UA). The amendment you request would provide clarifying changes to the conditions and limitations, including alignment for full utilization of Zipline's Continuous Airworthiness Maintenance Program (CAMP).

In your petition, you indicate that there has been no change in the conditions and reasons relative to public interest and safety that were the basis for granting the original exemption.

The FAA has issued a grant of exemption in circumstances similar in material respects to those presented in your petition. In Grant of Exemption No. 18338E (copy enclosed), the FAA found that a grant of exemption was in the public interest, that the proposed operations' UAS safety features and the limitations under which the Operator would operate were sufficient mitigations that ensured the proposed commercial package delivery operations would not adversely affect safety.

The FAA addressed the petitioner's request to revise Condition and Limitation No. 15 in Exemption No. 19110 (which is Condition and Limitation No. 19 in this exemption), by aligning it with Condition and Limitation No. 19 in Exemption No. 18338E. That Condition and Limitation, AFS-23-00194-E

which as worded, accommodates Zipline’s request to utilize a flight profile that differs from the prescriptive 500 feet set-back from all non-participating people, and does not adversely affect safety when evaluated and authorized by the Administrator. If the operator would like to adopt a flight profile that differs from the 500 foot set-back, the operator may calculate a safe distance from non-participants, whether it is people and/or property, considering factors such as type of UAS (e.g. fixed-wing, rotorcraft, multi-rotor), flight altitude, airspeed, and kinetic energy, regardless of whether the flight is a validation flight or maintenance flight. This new profile would be evaluated to ensure it provides an equivalent level of safety and authorized by the Administrator.

## **Federal Register Notice**

A summary of the petition was published in the Federal Register on May 25, 2023.<sup>1</sup> Although the FAA determined that parts of this petition required public comment, the FAA posted that solicitation of comments to the docket for Exemption No. 19111B.<sup>2</sup> Those requests are dispositioned in that exemption. For the remainder of the topics addressed in this exemption, the FAA determined that good cause exists for not publishing a summary of the petition in the *Federal Register* because the requested amendments to the exemption would not set a precedent, and any delay in acting on this petition would be detrimental to Zipline.

## **Public Interest**

The FAA finds that extending and amending this exemption is in the public interest. The FAA Reauthorization Act of 2018<sup>3</sup> directs the FAA to “update existing regulations to authorize the carriage of property by operators of small unmanned aircraft systems for compensation or hire within the United States” within a year of the date of enactment.<sup>4</sup> Such rulemaking requires data to justify and support the FAA’s policy decisions concerning new regulations. Extending this exemption avails the FAA of practical experience and data concerning UAS air carrier operations, which continues to be valuable to the FAA. Such information will assist the FAA in learning about appropriate risk mitigation measures, which will further the FAA’s policy decisions in the interest of implementing 49 U.S.C. § 44808.

Having reviewed your reasons for requesting an exemption, I find that:

- They are similar in all material respects to relief previously requested in the enclosed Grant of Exemption No. 18338E;
- The reasons stated by the FAA for granting the enclosed Grant of Exemption No. 18338E also apply to the situation presented in your petition; and
- A grant of exemption is in the public interest.

The FAA has made a number of changes to the conditions and limitations to conform to current policy, as well as editorial revisions. Zipline is highly encouraged to carefully review these conditions and limitations, as they have replaced any conditions and limitations previously issued.

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<sup>1</sup> 88 FR 33959.

<sup>2</sup> Docket No. FAA-2020-0499-0017.

<sup>3</sup> P.L. 115-254 (Oct. 5, 2018).

<sup>4</sup>Sec. 348 of the FAA Reauthorization Act (Public Law 115-254) is now codified in 49 U.S.C. § 44808. AFS-23-00194-E

## **The FAA's Decision**

The FAA has determined that the justification for the issuance of Exemption No. 19110, as amended, remains valid with respect to this exemption and is in the public interest. Therefore, under the authority provided by 49 U.S.C. §§ 106(f), 40113, and 44701, which the Administrator has delegated to me, I hereby grant Zipline International Inc. (Zipline) an exemption from 14 CFR §§ 91.7(a) and 135.25(a) to the extent necessary to permit Zipline to conduct air carrier operations for compensation or hire using small unmanned aircraft systems for commercial package delivery, subject to the following conditions and limitations.

## **Conditions and Limitations**

In this grant of exemption, Zipline International Inc. (Zipline) is hereafter referred to as the Operator.

1. Operations authorized by this grant of exemption are limited to the Zipline Sparrow Unmanned Aircraft (UA). Operations under this exemption may only be conducted in conjunction with the conditions and limitations issued in the companion operating exemption (Exemption No. 19111B or later issuance of that exemption) or for validation flights conducted in conjunction with FAA reviews.
2. The operator may conduct Part 135 operations within the United States using the Zipline Sparrow UA listed in the operator's FAA-issued operations specifications without an airworthiness certificate or a type design approved under a U.S. type certificate.
3. The operator must maintain and adhere to the following manuals at the latest revision level approved or accepted by the FAA.
  - a. Zipline Sparrow UAS Flight Manual (UFM)
  - b. Zipline International LLC General Maintenance Manual (GMM)
  - c. Zipline International LLC General Operations Manual (GOM)
4. If a discrepancy exists between this exemption, and any associated manual required under 14 CFR Part 135, the operator must comply with the most restrictive provision.
5. The certificate holder shall designate a perimeter with a minimum 20-foot radius centered at the takeoff and landing point, unless authorized by the Administrator.
6. The operator must maintain a configuration control document that is accepted by the FAA that lists the following: Each major component of the UA (e.g. primary structural elements, motors, propellers, servos, batteries, primary electronic systems, navigation equipment, communication equipment, antennas, parachute systems, visual systems, and onboard software, etc.). The UA component list must contain the part numbers and modification levels of the components, as applicable.

7. The operator must incorporate the manufacturer's inspections, servicing, life limit requirements and safety bulletins into its maintenance and inspection programs, unless the FAA accepts the operator's proposal to include them elsewhere.
8. The operator may not operate the UA with known inoperable instruments or equipment installed except in accordance with a minimum equipment list (MEL) that has been prepared in accordance with 14 CFR § 135.179 and approved by the FAA. If the operator desires to utilize an MEL, the operator must develop its own proposed MEL and submit it to the FAA for approval.
9. The operator may not perform maintenance, preventive maintenance, and alterations for another operator until the aircraft has obtained a standard airworthiness certificate, at which time 14 CFR § 43.3(f) will apply.
10. The operator must comply with 14 CFR part 43 with respect to any maintenance, rebuilding and alterations of the Zipline Sparrow, as if the aircraft has a standard airworthiness certificate. For purposes of this exemption, including compliance with this condition and limitation:
  1. Zipline is considered the aircraft manufacturer.
  2. For the purposes of compliance with this exemption, "airworthy" means the UA is in a condition that meets the configuration described in the Zipline Sparrow Configuration Control Document, and is in a condition for safe operation.
11. Any major repair, major alteration, or major configuration change to the UA must be submitted in a manner acceptable to the FAA and approved prior to operating the UAS under the air carrier certificate.
12. The pilot interface must display at least all the following information from the UA in real time: altitude, position, direction of flight information, and flight mode. All the information identified in this condition and limitation must be available at all times to the RPIC when conducting flight operations.
13. The pilot interface must display all information required for continued safe flight and operation. The information required to appear on the pilot interface display must be approved by the FAA and will be considered as part of the approval of the configuration control document.
14. The pilot interface must provide access to meteorological information. The device providing meteorological information and its installation must be acceptable to the Administrator, and the information be readily available to the PIC while at the normal duty station.
15. The pilot interface must provide an audible and visual alert of any degraded system performance, UA malfunction, or loss of Command and Control link with the UA that may impact continued safe flight. This information must be available at all times to the RPIC when conducting flight operations.

16. The UA must include a direct means and associated procedures for the UA to detect propulsion system failures and allow the RPIC or the UA to respond to associated failures.
17. For all operations, the UA must have an anti-collision(s) as an additional means for collision mitigation that:
  - a. Are operable and on for all flight operations; and
  - b. Are visible from 3 statute miles for civil twilight and night operations.
18. The operator is authorized to conduct operations at a UA-to-pilot ratio of 1-to-1 or at a ratio otherwise approved by the FAA.
19. Any maintenance, alterations, or system changes of the UAS that could affect the operation or flight characteristics (e.g. replacement of a flight critical component) of the UA must be validated by a functional test flight in accordance with the procedures set forth in the operator's manual prior to conducting further operations under this exemption. Functional test flights must remain at least 500 feet from all non-participating people unless authorized by the Administrator. The functional test flight must not pose undue hazards to persons and property.
20. For operations over non-participating human beings, the small UA parachute recovery system must be operational, and the small UA must be operated at or above the Minimum Flight Altitude (MFA) which shall be no less than the Minimum Deployable Altitude Rating (MDAR) of the Parachute Recovery System (PRS) as determined by testing in accordance with ASTM F3322-18, 6. Testing Standards of Deployable Parachutes.
21. In addition to standard FAA reporting requirements, the operator must report any incident, accident, or occurrence related to the Zipline Sparrow, to the Administrator at AFS-AED-UAV-PNLY-FED@faa.gov for each event, and also upon any request.
22. This exemption is not valid for operations conducted outside of the United States.

Failure to comply with any of the above conditions and limitations may result in the immediate suspension or rescission of this exemption.

**The Effect of Our Decision**

The FAA's decision amends Exemption No. 19110 to 19110A and extends the termination date to September 30, 2025, unless sooner superseded or rescinded.

To request an extension or amendment to this exemption, please submit your request by using the Regulatory Docket No. FAA-2019-0529 (<http://www.regulations.gov>). In addition, you should submit your request for extension or amendment no later than 120 days prior to the expiration listed above, or the date you need the amendment, respectively.

Any extension or amendment request must meet the requirements of 14 CFR § 11.81.

Sincerely,

/s/

David H. Boulter  
Associate Administrator for Aviation Safety  
Federal Aviation Administration

# **SOUTH JORDAN CITY PLANNING COMMISSION REPORT**

**Meeting Date: 11/9/2021**

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**Application:** ZIPLINE TEMPORARY USE CONDITIONAL USE PERMIT

**Address:** 10473 S Bacchus Highway

**File No:** PLSPR202100171

**Applicant:** Benoit Miquel

**Submitted By:** David Mann, Planner II

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## **Staff Recommendation (Motion Ready):**

**Approve** file no. PLSPR202100171 for the temporary use of a drone delivery facility at 10473 S Bacchus Highway as presented to the Planning Commission, with the following conditions:

- The use shall only be allowed for a period of three years. The Planning Commission may grant an extension for up to three additional years with approval of another CUP application.

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<b>ACREAGE:</b>	190.25 acres
<b>CURRENT ZONE:</b>	C-I
<b>CURRENT USE:</b>	Landfill
<b>FUTURE LAND USE PLAN:</b>	Natural Area

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## **TEMPORARY USE REVIEW:**

City Code § 17.18.030.080.A.1:

Temporary uses are uses that do not exceed sixty (60) days in duration and that do not require permanent structures or improvements that are not already established with an approved permanent use and site plan. Temporary uses that exceed sixty (60) days in duration or are not similar to allowed primary uses in a zone may only be authorized with a conditional use permit.

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To impose a condition, the detrimental effect must be identified and be based on substantial evidence, not simply a suspicion or unfounded concern. Any condition must be the least

restrictive method to mitigate the detrimental effect. Further, under City Code Section 17.18.050.I:

1. A conditional use may be commenced and operated only upon:
  - a. Compliance with all conditions of an applicable conditional use permit;
  - b. Observance of all requirements of this title relating to maintenance of improvements and conduct of the use or business as approved; and
  - c. Compliance with all applicable local, state, and federal laws.
2. A conditional use permit may be revoked by the city council at any time due to the permittee's failure to commence or operate the conditional use in accordance with the requirements of subsection A of this section.
3. No conditional use permit shall be revoked until after a public hearing is held before the city council. The permittee shall be notified in writing of such hearing. The notification shall state the grounds for complaint, or reasons for revocation, and the time and location of the hearing. At the hearing, the permittee shall be given an opportunity to be heard and may call witnesses and present evidence on his or her behalf. Upon conclusion of the hearing, the city council shall determine whether or not the permit should be revoked.

#### **BACKGROUND & ANALYSIS:**

Benoit Miquel, representing Zipline, filed an application for approval to operate a drone delivery service from a capped area of the existing Trans-Jordan Landfill ("Landfill"). Zipline has entered into a three-year lease agreement with the Landfill with an option to extend the lease for an additional three years. The proposed use would operate on a temporary basis for three to six years as the Applicant's company, Zipline, works out the logistics and plans for a more permanent facility. Currently, a more permanent site likely would be located nearby, but not in South Jordan. Staff issued a zoning compliance letter to confirm the use could be allowed in the Commercial Industrial (C-I) Zone as a permanent use with site plan approval. However, because Zipline intends to eventually build a permanent facility elsewhere, and because the Landfill's property is not well-suited for Zipline to build permanent structures, Zipline is seeking a temporary use permit and conditional use permit (CUP). For Zipline to operate for longer than 60 days as a temporary use, it is required to get a CUP.

The proposed site location of the buildings and launch area would be approximately 1300 feet from the border of the Daybreak Village 14 Plat 1 subdivision, and is much further than that from any existing homes in Daybreak. Based on the small amount of operational noise, the distance from residential neighborhoods, Daybreaks plans to build large berms along its and the landfill's border, and significant elevation change between the site and surrounding land, the proposed temporary use should have little to no impact on neighboring properties. Because this area is developing and quickly changing, Staff recommends a condition to require another

conditional use permit if Zipline would like to extend the temporary use for up to three additional years so that Staff can reevaluate any impacts that might have occurred during the initial three years, and the impacts to the changing area around the landfill.

#### **STAFF FINDINGS, CONCLUSIONS & RECOMMENDATIONS:**

##### **Findings:**

- The establishment of a temporary use for more than 60 days requires a conditional use permit.
- Staff reviewed the proposed business for potential detrimental effects and found none that would require conditions during the initial three-year period.

##### **Conclusion:**

- Based on the application materials submitted by Applicant, staff review of the Application, and the findings listed above, staff concludes that the proposal is consistent with the City's General Plan and the pertinent sections of the City's Planning and Land Use Code (including section 17.60).

##### **ALTERNATIVES:**

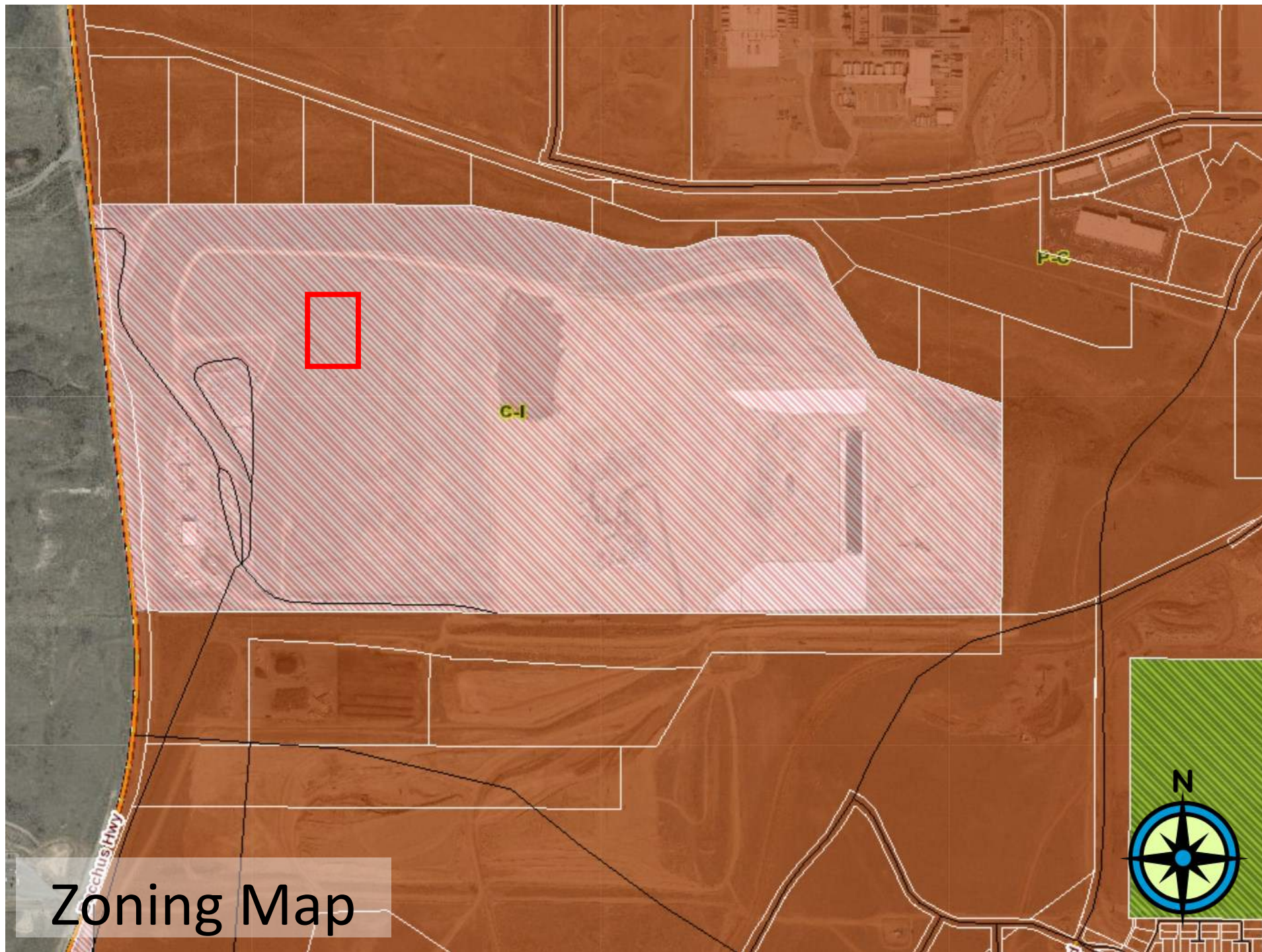
- Deny the application.
- Propose modification(s) to the application.
- Schedule the application for a decision at some future date.

##### **SUPPORT MATERIALS:**

- Location Map
- Zoning Map
- Site Plan
- Applicant Letter
- Agreement with Trans-Jordan



Location Map



By: Tyler Lincoln; Aug 30, 2021 - 3:58pm  
 \\0074\_Zipline\2 - Drawings\dwg.0 - Project\Proposed Zipline Site\Zipline Processed Layout\_Rotated (Tyler).dwg

TRANS-JORDAN LANDFILL

BACCHUS HIGHWAY

PREPARED BY:

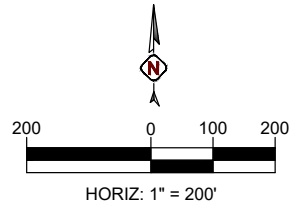


789 EAST 80 NORTH  
KAYSVILLE, UTAH 84037  
PHONE: 801-773-3155

PREPARED FOR:



10473 SOUTH BACCHUS HIGHWAY  
SOUTH JORDAN UTAH 84009-6002  
PHONE: 801-569-8994



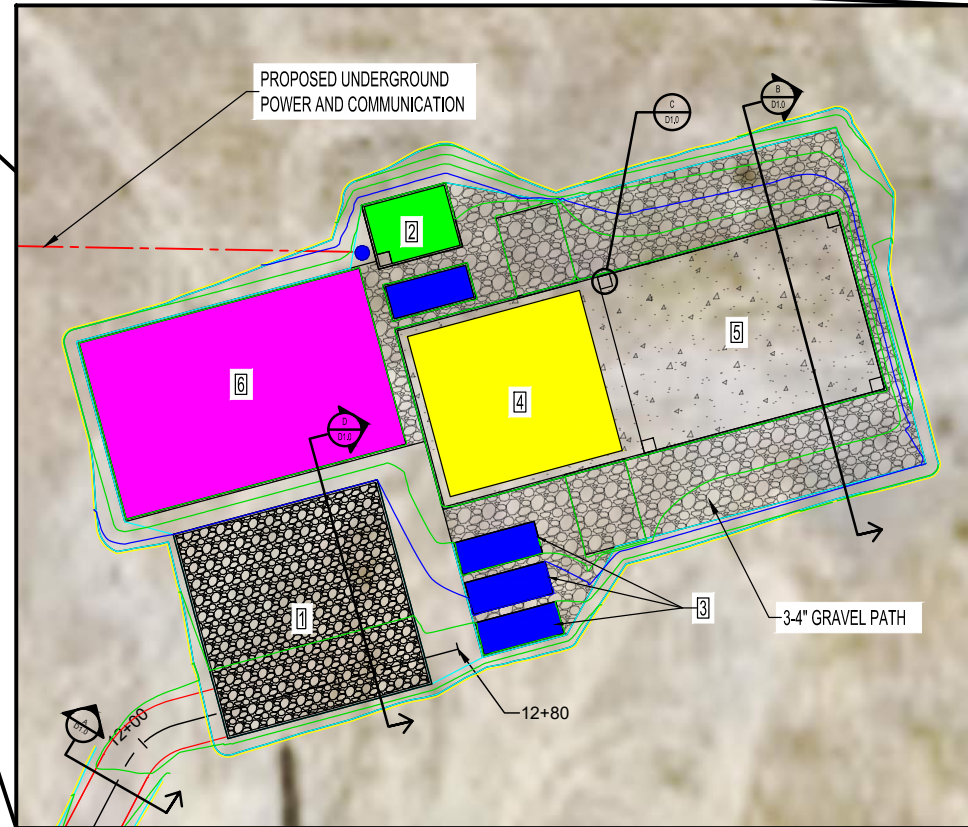
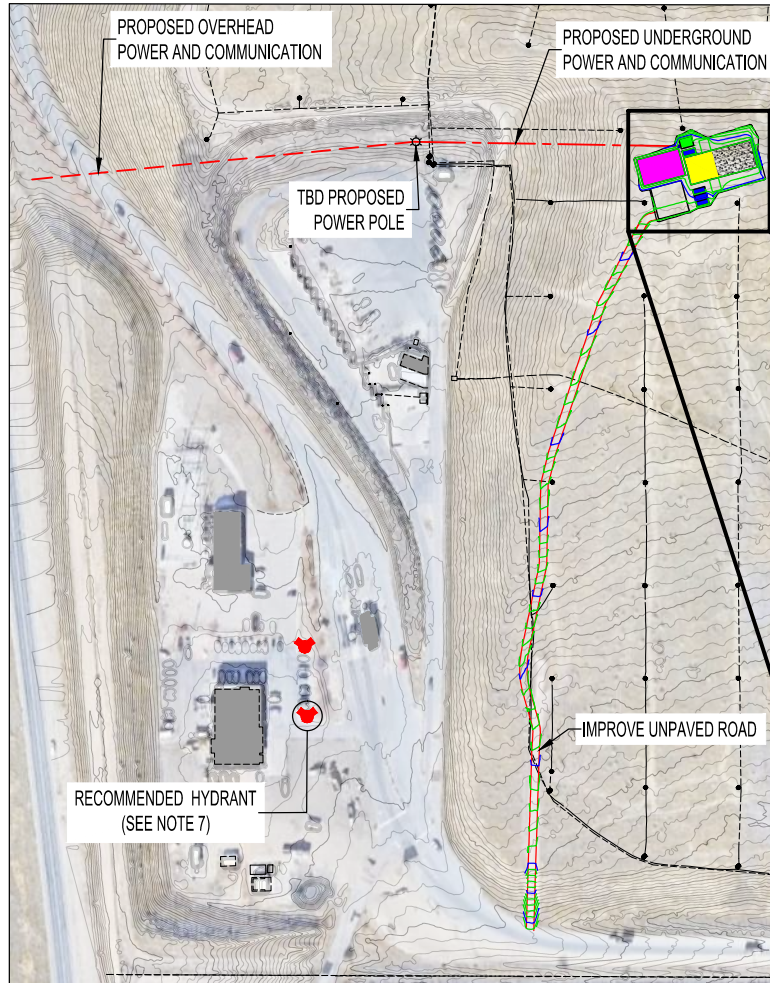
## PROPOSED IMPROVEMENTS ZIPLINE FACILITY

### LEGEND

EX MAJOR CONTOUR	— 5025 —
EX MINOR CONTOUR	— 5005 —
PR ACCESS ROAD	— —
EX LANDFILL GAS WELL/PIPE	●
EX FIRE HYDRANT	🔴

### # SITE NOTES

1. PARKING AREA (50' X 50')
2. BACKUP GENERATOR AREA (20' X 15')
3. 20' EQUIPMENT CONTAINERS
4. OPERATIONS STRUCTURE (43' X 40')
5. FLIGHT OPS EQUIPMENT (60' X 44')
6. OPERATIONS SUPPORT UNITS (70' X 44')
7. RECOMMENDED HYDRANT LOCATED APPROX. 1,050 FT. FROM SITE



REVISION

DATE

NO.

DRAWING IS NOT TO SCALE IF BAR  
DOES NOT MEASURE 1/2 INCH

0 1/4 1/2

PROPOSED IMPROVEMENTS

ZIPLINE FACILITY

TRANS-JORDAN LANDFILL

SOUTH JORDAN, UTAH



DESIGN: DP

DRAWN: DCA

CHECKED: DP

DATE: 8/2021

C2.0

Mr. Benoit Miquel  
Zipline International Inc.  
333 Corey Way  
South San Francisco, CA 94080

July 8th, 2021

Greg Schindler  
City Planner - City of South Jordan  
1600 W. Towne Center Drive  
South Jordan, UT, 84095

**Re: Site Plan Application**

Dear Mr. Schindler:

Thank you for your consideration of this site plan application for Zipline International Inc. ("Zipline" or "Applicant") at the Trans-Jordan Landfill Facility 10473 South Bacchus Hwy, South Jordan, UT 84009 (the "Property" or "Site").

Zipline operates the world's largest instant delivery service. We design, manufacture, and operate drones that can deliver approximately four pounds over a 50-mile service radius. To date, Zipline drones have flown over 5 million autonomous miles and made over 120,000 deliveries around the world -- including flying over 5,000 miles delivering over 16,000 N95 masks and other personal protective equipment items for a health care system outside Charlotte, North Carolina. Indeed, every 5 minutes someone around the world receives a Zipline delivery.

Internationally, Zipline's service is used to save lives by providing immediate access to urgent medical supplies. In the United States, Zipline's goal is to provide people and communities with on-demand convenience for their medicines and other everyday needs, giving them more control of their day. This customer-driven convenience is at the heart of our partnership with local health care service providers.

From design and manufacturing through operations, safety of the public in Zipline's service radius is at the core of our decisions made in collaboration with the FAA to ensure a safe and scalable service. Our operations will be conducted under an FAA air carrier certification, using an aircraft also approved by the FAA.

Additionally, the aircraft design, manufacturing and operations are focused on ensuring the highest level of safety and the least environmental impact to our surroundings (e.g., our aircraft are battery, not fuel, powered). A tremendous amount of design work also has been put into minimizing the amount of noise and light nuisance from our operations. Indeed, the sound

of our aircraft is undetectable at cruising altitude (approximately 300ft above ground level (“AGL”)) in a residential environment.

Finally, while a Zipline facility unlocks a unique delivery experience within a 50-mile radius, we are driven by the impact that our operations have across the local community. Every facility is an opportunity to expose local schools and STEM programs to state of the art technology. In all our facilities, two weekly tour slots are reserved for visitors to come learn and observe our operations, ask questions and better understand our systems. While our drones fly autonomously, our typical facility is operated by 8 employees with roles varying from maintenance, flight operator, fulfillment operators, flight controllers and leadership positions sourced from local talent.

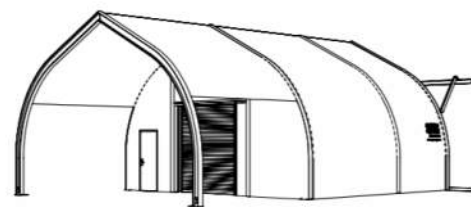
The site will require a utility extension for a 400A 480V 3P service from Rocky Mountain Power to the site as well as fiber communication service run in parallel with the power service as shown on the submitted Site Plans. There is no required water or sewage extensions. Other than portable restroom facilities there is no use of water as part of our operations.

The site will generate a minimal amount of traffic including the commute of ~8 employees to site on a daily workday basis in addition to <10 product deliveries to the site per week.

Our operations structure will be a prefabricated high durability membrane structure as shown below. This structure will house our drones, battery chargers, and monitors for operations.



4 EXTERIOR VIEW  
1257.0



7 EXTERIOR VIEW 2  
1257.0

Our support structures will be prefabricated units used to provide a climate controlled environment to our operators and includes maintenance space and fulfillment space. The type of unit used is shown below:



In addition, standard shipping containers will be used for additional storage and maintenance space as shown on the NC1 (North Carolina Facility) below.



We look forward to your feedback and approval of this site plan so we can submit construction drawings to the South Jordan Building department. Please feel free to contact me directly with any questions.

Sincerely,

Benoit Miquel  
New Deployments Manager  
Zipline International Inc.

Final Draft August 16, 2021

## LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made and entered into as of August 19, 2021 (the "Effective Date") by and between Trans-Jordan Cities, an interlocal agency and political subdivision of the State of Utah ("Landlord"), and Zipline International Inc., a Delaware corporation ("Tenant").

In consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, it is agreed by Landlord and Tenant as follows:

1. **PREMISE.** Subject to the terms and conditions of this Lease, Landlord does hereby demise, lease and let unto Tenant, and Tenant does hereby take and receive from Landlord the following: (a) that certain real property containing approximately [16,000] rentable square feet depicted on Exhibit A (the "Premises") belonging to a parcel of real property located at 10473 S. Bacchus Hwy, South Jordan, Utah 84009 (the "Property"); and (b) a nonexclusive license to use the rights-of-way, easements and similar rights with respect to the Property depicted on Exhibit A, as may be reasonably necessary for access to and egress from the Premises ("Access Rights"). Landlord covenants and warrants that the Access rights provide legal access to the Premises and the Property from public streets.

### 2. TERM AND COMMENCEMENT DATE

2.1 **Length of Term.** This Lease shall be binding on Landlord and Tenant as of the Effective Date; provided, however, that Tenant's obligation to pay Base Rent shall not commence until the Commencement Date (as defined in Section 2.2 below). The Term of this Lease shall be for a period of thirty-six (36) consecutive months beginning on the Commencement Date, plus the partial calendar month, if any, occurring after the Commencement Date if the Commencement Date occurs other than on the first day of a calendar month (the "Term"). As used herein, a "Lease Year" means a period of twelve (12) full successive calendar months during the Term. The first Lease Year shall begin on the Commencement Date unless such date is not the first day of the calendar month in which case the first Lease Year shall include such partial month plus the twelve (12) full succeeding calendar months, and all subsequent Lease Years shall follow consecutively thereafter.

2.2 **Commencement Date; "As Is" Condition.** The "Commencement Date" shall mean the earlier of (a) the one (1)-year anniversary of the Effective Date, and (b) the date that Tenant commences construction of its above-ground improvements, not including utilities, access road, concrete pad(s), or operations shelter structure. Within a reasonable time after the Commencement Date, Landlord will deliver to Tenant, and within thirty (30) days of delivery Tenant shall sign and deliver to Landlord, the Notice of Commencement Date, substantially in the form attached hereto as Exhibit B, certifying the Commencement Date, the initial Term, and other basic terms of the Lease; provided, that, in no event shall Landlord's failure to provide such Notice of Commencement Date release Tenant from any of its obligations under this Lease, including Tenant's obligations relating to the payment of Rent. Tenant acknowledges and agrees that the Premises is located on one or more closed landfill cells, and therefore subject to associated risks and events. Upon taking possession of the Premises, without limiting the express obligations of the parties under this Lease, Tenant shall be deemed to have fully inspected the Premises and to have found the same to be satisfactory for all purposes hereunder and Tenant shall be deemed to accept the Premises in its existing condition "as is," subject to all legal requirements, any

state of facts which an accurate survey or physical inspection of the Premises might show, without warranties, either express or implied, "with all faults", including but not limited to both latent and patent defects, any geological conditions, such as issues of settlement, subsidence, subsurface conditions, geologic faults and otherwise, any hazardous or interfering conditions resulting from wildlife on, beneath, above or near the Property, and the existence of Hazardous Substance, if any. Tenant hereby waives all warranties, express or implied, regarding the condition and use of the Premises, including, but not limited to, any warranty of merchantability or fitness for a particular purpose.

2.3 Contingency Period. Tenant shall have from the Effective Date until the Commencement Date (the "Contingency Period") to make any and all commercially reasonable studies, tests, examinations, inquiries, inspections and investigations of or concerning the Premises, and to confirm all matters that Tenant may reasonably desire to confirm with the Premises. Tenant shall restore any damage to the Premises caused by Tenant. The costs of such inspections shall be borne solely by Tenant. During the Contingency Period, Tenant may occupy the Premises and conduct such inspections. Tenant may terminate this Lease at any time prior to the expiration of the Contingency Period, without fee or penalty, by written notice to Landlord, in which event, (a) this Lease shall be null and void, (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except for those which, by their nature, survive a termination hereof, and (c) Landlord shall promptly return the prepaid Base Rent and Security Deposit paid by Tenant in connection with this Lease. If Tenant fails to deliver written notice to Landlord of its desire to terminate the Lease on or prior to the expiration of the Contingency Period, Tenant's right to terminate this Lease shall be deemed waived and the Lease shall continue in its full force and effect.

2.4 Extension Option. Provided Tenant is not in default under this Lease, Tenant, at its option, may extend the Term for one (1) period(s) of twenty-four (24) months (an "Extension Term"). To exercise any extension option, Tenant must deliver written notice of the exercise thereof to Landlord no earlier than twelve (12) months and no later than three (3) months prior to the expiration of the then-current Term. All terms, provisions and covenants of this Lease shall apply to any Extension Term, except (i) for any provisions requiring any improvement of the Property or Premises by Landlord or at Landlord's expense, and (ii) that the annual Base Rent for the first Lease Year of any Extension Term shall be calculated by adding two percent (2%) to the amount of annual Base Rent due during the prior Lease Year before such Extension Term, with additional increases to annual Base Rent upon the first day of each succeeding Lease Year in the amount of two percent (2%) of the annual Base Rent in effect for the immediately preceding Lease Year. For purposes of this Lease, the term "Term" shall mean the initial Term and any Extension Term.

2.5 Construction of Premises. Tenant shall complete its build-out of the Premises after the delivery of the Premises, including construction of improvements and the complete fixturing thereof (the "Tenant's Build-out"), all in accordance with plans and specifications approved in writing in advance by Landlord, which approval shall not be unreasonably withheld. Upon approval of Tenant's plans and specifications by Landlord, a copy of such approved plans and specifications shall be attached to this Lease as Exhibit C.

### 3. BASE RENT PAYMENTS

3.1 Base Rent. Beginning on the Commencement Date, Tenant agrees to pay to Landlord as base annual rent (the "Base Rent") for the first Lease Year, at such place as Landlord may

designate, without prior demand therefor and without any deduction or set off whatsoever. Commencing on the first anniversary of the Commencement Date and on each anniversary of the Commencement Date thereafter, Base Rent shall increase by two percent (2%). All Base Rent shall be due and payable in twelve (12) equal monthly installments to be paid in advance on or before the first (1<sup>st</sup>) day of each calendar month during the Term of the Lease. In the event the Commencement Date occurs on a day other than the first (1<sup>st</sup>) day of a calendar month, then Base Rent shall be paid on the Commencement Date for the initial fractional month prorated on a per diem basis (based upon a thirty (30) day month). On the Commencement Date, Tenant shall pay to Landlord the first month's and second month's Base Rent in addition to the Security Deposit (as defined in Section 4 below), which aggregate amount shall equal to

3.2 Additional Monetary Obligations. Beginning on the Commencement Date, Tenant shall also pay as rent (in addition to Base Rent), the Actual Operating Expense Increase (as defined below), every service fee, interest and cost for nonpayment or late payment thereof and all other amounts due and payable by Tenant under this Lease other than Base Rent (collectively, "Additional Rent"), all without prior demand therefor and without any deduction or set off whatsoever. As used herein, the term "Rent" means all Base Rent, Additional Rent, and other sums due or payable by Tenant hereunder.

3.3 Payment of Rent. All Rent shall be paid in lawful money of the United States of America. If any amounts or charges are not paid at the time provided for in this Lease, the amounts and charges due shall nevertheless, if not paid when due, be collectible as Additional Rent with the next installment of Base Rent thereafter falling due hereunder.

3.4 Service Fees and Interest. In the event Tenant fails to pay when due any amount required to be paid by Tenant under this Lease (including any Additional Rent due hereunder) by the fifteenth (15<sup>th</sup>) day after the due date for such payment, Tenant shall pay to Landlord a service fee equal to the greater of the sum of \_\_\_\_\_ of the amount of the delinquent payment, which service fee shall be due and payable with the payment then delinquent. If Tenant fails to pay, when the same is due and payable, any Base Rent, Additional Rent, or other sum required to be paid by it hereunder, such unpaid amounts shall bear interest from the due date thereof to the date of payment at a rate per annum ("Applicable Interest Rate") equal to the lesser of (a) the maximum interest rate permitted by law or (b) six percent (6%) per annum. All service fees and interest shall constitute Additional Rent and shall become automatically due and payable without any additional notice or cure periods whatsoever, and notwithstanding any notices or cure period required prior to any default occurring under this Lease. Tenant acknowledges and agrees that such service fees and interest charges described in this Lease are fair and reasonable because Landlord will incur administrative costs and other damages if Tenant does not timely pay amounts due under this Lease.

4. **SECURITY DEPOSIT.** Tenant shall, contemporaneously with the execution of this Lease, deposit with Landlord an amount equal \_\_\_\_\_ the "Security Deposit") to secure the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease. If Tenant fails to pay Rent promptly when due, or violates any of the other terms, covenants and conditions of this Lease, then the Security Deposit, or any portion thereof, may, at the option of Landlord (but Landlord shall not be required to) be applied to any amounts due and unpaid or be applied to any damages suffered by Landlord as a result of Tenant's default. If the Security Deposit is applied by Landlord as described in this Section, then Tenant shall, upon receipt of a written demand by Landlord, forthwith remit to Landlord a sufficient amount in cash to restore the Security Deposit to its original amount, and Tenant's failure to do so within

ten (10) days after receipt of such demand shall constitute a breach of this Lease. If Tenant complies with all of the terms, covenants and conditions of this Lease and promptly pays Base Rent, Additional Rent and all other sums payable by Tenant to Landlord hereunder, the Security Deposit shall be returned in full without interest to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest under this Lease) within thirty (30) days after the end of the Term or the earlier termination of this Lease pursuant to the provisions hereof and delivery of possession of the Premises to Landlord in accordance with Section 19. If Landlord's interest in this Lease is conveyed, transferred or assigned, Landlord shall transfer or credit the Security Deposit to Landlord's successor in interest, and Landlord shall be released from any liability for the return of the Security Deposit.

## 5. OPERATING EXPENSES

5.1 Definitions. For purposes of this Lease, the terms set forth below shall mean the following:

(a) "Actual Operating Expense Increase" shall mean for the Fiscal Year 2022-2023 and thereafter, the increase in Operating Expenses in a particular Fiscal Year over Operating Expenses for the Base Year.

(b) "Base Year" shall mean the Fiscal Year 2021-2022.

(c) "Estimated Operating Expenses Increase" shall mean Landlord's estimate of Actual Operating Expense Increase in a particular Fiscal Year over Operating Expenses for the Base Year.

(d) "Fiscal Year" shall mean July 1 through June 30 of each year.

(e) "Operating Expenses" shall mean the actual, reasonable costs, expenses, fees and disbursements that Landlord pays or incurs in connection with the ownership, operation, maintenance, management and repair of the Premises, determined in accordance with the reasonable accounting procedures and business practices customarily employed by Landlord, including the following: (i) all real and personal property taxes, and other ad valorem assessments (whether general or special, known or unknown, foreseen or unforeseen) and any tax or assessment levied or charged in lieu thereof, except use taxes and those to be paid by Tenant on its own personal property and leasehold improvements; (ii) rent and gross receipts taxes, if any; (iii) all other assessments and impact fees levied by property associations, improvement districts, governmental authorities and similar assessments; (iv) license, permits and inspection fees; (v) insurance premiums for all insurance carried by Landlord; (vi) improvements and repairs to and physical maintenance of the Premises or the Property occasioned by Tenant; (vii) costs associated with the day-to-day operation and maintenance of the Premises; (viii) actions performed to comply with the requirements of applicable law related to the Premises or the Property as a result of Tenant's use thereof; and (ix) accounting, legal and other professional services incurred in connection with the management and operation of the Premises, the Property and the calculation of Operating Expenses. "Operating Expenses" shall not include and Tenant shall in no event have any obligation to perform or to pay directly, or to reimburse Landlord for, all or any portion of the following repairs, maintenance, improvements, replacements, premiums, claims, losses, fees, charges, costs and expenses (collectively, "Costs"): (a) Costs occasioned by the act, omission or violation of any law by Landlord, any other occupant of the Property, or their respective agents, employees or contractors;

(b) Costs occasioned by fire, acts of God, or other casualties or by the exercise of the power of eminent domain; (c) Costs to correct any construction defect in the Premises or the Property or to comply with any covenant, condition, restriction, underwriter's requirement or law applicable to the Premises or the Property on the Lease Commencement Date; (d) increases in insurance Costs caused by the activities of another occupant of the Property, insurance deductibles in excess of \$10,000, and co-insurance payments; (e) Costs incurred in connection with the presence of any Hazardous Material, except to the extent caused by the release or emission of the Hazardous Material in question by Tenant; (f) expense reserves; (g) Costs of structural repairs to the Building; and (h) Costs which could properly be capitalized under generally accepted accounting principles, except as specifically set forth in the Lease. Tenant may audit the books, records and supporting documents of Landlord to the extent necessary to determine the accuracy of Landlord's statement of Expenses the Lease during normal business hours. Such audit, if any, shall occur within one hundred twenty (180) days after Tenant receives such statement. Tenant shall bear the cost of such audit, unless such audit discloses that Landlord has overstated the total costs by more than three percent (3%) of the actual amount of such costs, in which event Landlord shall pay the cost of Tenant's audit. Landlord shall promptly refund any overcharges to Tenant.

5.2 Payment of Operating Expenses. Concurrent with each monthly payment of Base Rent due hereunder, Tenant shall pay to Landlord, without offset or deduction, one-twelfth (1/12th) of the Estimated Operating Expenses Increase. At the beginning of a year, Landlord shall deliver to Tenant a statement showing the Estimated Operating Expenses Increase for such year. If Landlord fails to timely deliver such statement, then until the delivery of such statement, Tenant's Estimated Operating Expenses Increase shall be deemed to be the same amount of the Estimated Operating Expenses Increase for the prior year; provided, however, if Landlord subsequently furnishes to Tenant a statement of such Estimated Operating Expenses Increase, to the extent such Estimated Operating Expenses Increase are greater than or less than the Estimated Operating Expenses Increase paid on a year-to-date basis, Tenant shall either receive a credit or make a payment, in the amount of such difference on the next date on which Tenant makes a Rent payment hereunder. If at any time it appears to Landlord that the Operating Expenses Increase will vary from Landlord's original estimate, Landlord may deliver to Tenant a revised statement showing the Estimated Operating Expenses Increase for such year, and subsequent payments by Tenant shall be based on such revised statement.

5.3 Report of Operating Expenses Increase and Statement of Estimated Operating Expenses Increase. Within one hundred twenty (120) days after each year during the Term, Landlord shall furnish Tenant with a written reconciliation statement comparing the Actual Operating Expenses Increase during the previous year against the Estimated Operating Expenses Increase actually paid by Tenant during the previous year pursuant to Section 5.2 above. If the reconciliation statement indicates that the Estimated Operating Expenses Increase actually paid by Tenant for any year exceeded the Actual Operating Expenses Increase, Landlord, at its election, shall either (a) promptly pay the amount of such excess to Tenant, or (b) apply such excess against the next installment of Rent due hereunder. In the event the reconciliation takes place following the termination of this Lease, Landlord shall promptly pay the amount of such excess to Tenant. If the reconciliation statement indicates that Estimated Operating Expenses Increase actually paid by Tenant for any year are less than the Actual Operating Expenses Increase for such year, Tenant shall pay to Landlord any such deficiency within thirty (30) days of Tenant's receipt of such reconciliation statement. Such payments by Tenant shall be made notwithstanding that the reconciliation statement is furnished to Tenant after the expiration of the Term or sooner termination of this Lease. Every statement given by Landlord pursuant to this Section 5.3 shall be conclusive and binding upon Tenant unless within sixty (60) days after the receipt of such statement

Tenant shall notify Landlord that it disputes the correctness thereof, specifying the particular respects in which the statement is claimed to be incorrect.

## 6. USE OF PREMISES

6.1 Use of Premises. The Premises shall be used and occupied by Tenant for the established base of operations for Tenant's unmanned aerial system and the related storage and delivery services that Tenant provides and for no other purpose whatsoever without the prior written consent of Landlord in Landlord's reasonable discretion (the "Permitted Use"). Tenant shall be entitled to use the Premises as described in this Lease only during the business hours established by Landlord; provided, that, Tenant shall be entitled to use the Premises after such established business hours upon a modification of Landlord's existing permit from the Utah Department of Environmental Quality, Division of Waste Management and Radiation Control, which modification shall be made at Tenant's reasonable request and Tenant's payment of all costs and expenses incurred by Landlord (including reasonable attorneys' fees) associated therewith. At all times during the Term, Tenant shall, at Tenant's sole cost and expense, comply with all statutes, ordinances, laws, orders, rules, regulations and requirements of all applicable federal, state, county, municipal and other agencies or authorities, now in effect or which may hereafter become effective, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alterations of the Premises on account of Tenant's business or activities, including, without limitation, any planning and zoning regulations and Federal Aviation Administration rules and regulations, if applicable. Tenant shall not be required to comply with or cause the Premises to comply with any laws, rules or regulations requiring the construction of alterations, however, unless such compliance is necessitated solely due to Tenant's particular use of the Premises.

6.2 Prohibition of Certain Activities or Uses. Tenant and the Tenant Related Parties (as defined in Section 11.1 below) shall not do, or permit anything to be done, in or around the Premises or the Property that will (a) materially adversely affect any fire, liability or other insurance policy carried by Landlord; (b) materially adversely affect Landlord's solid waste permits issued by the State of Utah and Salt Lake County; (c) create a public nuisance, obstruct, interfere with any right of, injure or unreasonably annoy any other occupant of the Property, or cause any objectionable noise or odors; (d) operate an immoral or disreputable business; (e) commit waste; or (f) take any action that causes a violation of any restrictive covenants or any other instrument of record applying to the Property. In addition, Tenant and the Tenant Related Parties shall not interfere with, or disrupt in any way, (x) any existing methane gas collection system located on the Property, or (y) the final cap on the appropriate landfill cell.

6.3 Taxes on Tenant Property. Tenant shall pay (and upon written request from Landlord, provide Landlord with evidence of payment), before delinquency, all taxes, assessments, charges, and fees that during the Term may be imposed, assessed, or levied by any governmental or public authority against or upon Tenant's particular use of the Premises or any equipment, furniture, fixtures and any other personal property located in the Premises, and on the value of leasehold improvements (excluding the Landlord's Work). In the event a rent tax is imposed by any governmental authority, Tenant shall be responsible for such rent tax.

7. UTILITIES AND SERVICES. If required for Tenant's use of the Premises, Tenant shall furnish, or cause to be furnished, to the Premises, and at Tenant's sole cost and expenses, (a) electricity, water, gas and sewer service; (b) telephone lines; (c) heat and air-conditioning; (d) fiber or other similar internet

lines and components, and (e) other utility services. The Premises shall be separately metered, and Tenant shall be responsible for the costs of installing such meters, for all electricity, water and other utilities, and Tenant shall pay for the cost of all such utilities so separately metered, or which are billed directly to Tenant, within ten (10) days after invoice. Tenant shall be solely responsible to order and install, and shall pay the entire cost and expense of, all telephone, internet, data, cable and computer connections, stations, equipment and use charges, and all other materials and services not expressly required to be provided by Landlord under this Lease.

## 8. MAINTENANCE AND REPAIRS; ALTERATIONS; ACCESS

8.1 Maintenance and Repairs by Landlord. Tenant acknowledges that Landlord shall have no obligation to maintain and repair the Premises or the Property under this Lease, and Tenant shall be responsible for the same, as set forth herein.

8.2 Maintenance and Repairs by Tenant. At Tenant's sole cost and expense, and without prior demand being made, Tenant agrees to keep the non-structural elements of the Premises in good order, condition and repair and in a clean and sanitary condition. Tenant's responsibility includes, but is not limited to, maintenance, repair and cleaning of the Premises as the same may or might be necessary in order to maintain the Premises in a clean, attractive and sanitary condition. Tenant shall in a good and workmanlike manner repair or replace any damage to the Premises or the Property occasioned by the acts of Tenant or the Tenant Related Parties. Any needed repair to the Premises caused by settlement or subsidence must be approved by, and conducted under the supervision of, Landlord or its designated agents.

8.3 Alterations. After taking occupancy of the Premises, Tenant shall not make any alteration, addition, improvement or repair to the Premises, unless such alteration, addition, improvement or repair (a) is made with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed; (b) is made pursuant to plans and specifications approved in writing in advance by Landlord; (c) equals or exceeds the then-current standard for the Premises and utilizes only new and first grade materials; (d) is in strict conformity with all applicable laws, ordinances, regulations and requirements, and is made after obtaining any required permits and licenses; (e) is carried out in a good and workmanlike manner by persons approved in writing by Landlord, who, if required by Landlord, deliver to Landlord before commencement of their work proof of such insurance coverage as Landlord may require, with Landlord named as an additional insured; (f) is made in connection with the Permitted Use; and (g) is done only at such time and in such manner as Landlord may reasonably specify. Tenant shall indemnify, defend and hold harmless Landlord from and against all liens, claims, damages, losses, liabilities and expenses, including attorneys' fees, that may arise out of, or be connected in any way with, any such alteration, addition, improvement or repair.

8.4 Landlord's Access to Premises. Upon Landlord's prior request and Tenant's consent, which may not be unreasonably withheld, conditioned, or delayed, Tenant shall permit inspection of the Premises during reasonable business hours by Landlord or Landlord's agents or representatives for the purpose of ascertaining the condition of the Premises and in order that Landlord may comply with the terms of this Lease. Without limiting the foregoing, Tenant shall permit Landlord's methane gas contractor and other agents and contractors to access all wellheads and other related facilities located on the Premises for the proper operation, maintenance, repair and replacement of such facilities. Any entry by Landlord and Landlord's agents shall not impair Tenant's operations more than reasonably necessary,

and shall be subject to Tenant's reasonable security measures. Notwithstanding anything to the contrary herein, Landlord shall have the right to enter the Premises without prior notice in emergency conditions.

9. **SIGNS.** Tenant shall not place or suffer to be placed or maintained on any exterior door, wall or window of the Premises, or elsewhere on the Property, any sign, awning, marquee, decoration or other thing of any kind without first obtaining Landlord's prior written approval, which approval as to signs only shall not be unreasonably withheld but otherwise shall be in Landlord's sole discretion. All such work shall be completed in a good workmanlike manner. At Tenant's sole cost, Tenant shall maintain any such signs or other things, as may be approved, in good condition and repair at all times and shall, on the expiration of the Term or earlier termination of this Lease, remove all such items and repair any damage caused by such removal. Landlord may, at Tenant's cost, and without liability to Landlord, enter the Premises and remove any item erected in violation of this Section. Landlord may establish rules and regulations governing the size, type and design of all signs, decorations, etc., and Tenant agrees to abide thereby.

10. **ASSIGNMENT AND SUBLETTING.** Neither this Lease nor any interest herein may be assigned by Tenant voluntarily or involuntarily, or by operation of law, and neither all nor any part of the Premises shall be sublet by Tenant without prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. In no event shall any transfer, assignment or sublease relieve Tenant or any guarantor of this Lease of any of its obligations hereunder. Tenant shall remain responsible for all duties as defined herein, notwithstanding any actions on the part of the subtenant or any assignee. In the event of a permitted assignee or sublease of the Premises at a rental higher than the amount payable for such space by Tenant hereunder, then fifty percent (50%) of the net amount of said higher amount (after deducting brokerage commissions, legal fees, and other costs of assignment or subleasing) shall be paid to Landlord by Tenant as Additional Rent. Tenant may, without Landlord's prior written consent (but with fifteen (15) days' prior written notice to Landlord) and without being subject to any recapture or bonus rent provisions under the Lease, sublet the Premises or assign the Lease to (a) a successor entity related to Tenant by merger, consolidation, non-bankruptcy reorganization, or government action, or (b) a purchaser of substantially all of Tenant's assets in the Premises. A sale or transfer of Tenant's capital stock shall not be deemed an assignment, subletting or any other transfer of the Lease or the Premises.

## 11. INDEMNITY AND HAZARDOUS MATERIALS

11.1 **Tenant's Indemnity.** Tenant shall protect, defend (with counsel reasonably acceptable to Landlord), indemnify and hold harmless Landlord and its affiliates, and each of their respective owners, officers, managers, members, contractors, employees, agents, invitees, licensees, concessionaires, successors and assigns (the "**Landlord Related Parties**") against and from any and all claims, demands, actions, losses, damages, orders, judgments, obligations, penalties, and any and all costs and expenses (including, without limitation, attorneys' fees and costs) (collectively, "**Claims**"), resulting from or incurred by Landlord or Landlord Related Parties on account of any of the following: (a) the use of the Premises by Tenant and its affiliates, and each of their respective owners, officers, managers, members, contractors, employees, agents, invitees, licensees, concessionaires, successors and assigns (the "**Tenant Related Parties**"), the conduct of Tenant's business, or any other activity permitted or suffered by Tenant or the Tenant Related Parties, including any Claims associated with the settlement of the Premises or the hazardous conditions of, or interference caused by, wildlife on, beneath, above or near the Property; or (b) any breach by Tenant of this Lease. Tenant shall defend all Claims and pay all costs and expenses

incidental thereto. Notwithstanding the foregoing, Landlord shall have the right, at its option, to participate in the defense of any such Claims without relieving Tenant of any obligation hereunder. Tenant's obligations to defend, indemnify and hold harmless Landlord and Landlord Related Parties do not include or extend to any Claims to the extent resulting or arising from the grossly negligent or willful misconduct of Landlord or the Landlord Related Parties. This indemnification shall survive the termination of this Lease.

11.2 Environmental Indemnification. Tenant shall not, without Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion, bring or keep in, on or around the Premises, for use, disposal, treatment, generation, storage or sale, any substances designated as, or containing components designated as, "hazardous substances," "hazardous materials," "hazardous wastes," "regulated substances" or "toxic substances" or substances otherwise deemed dangerous or harmful to health, persons or the environment under any law (collectively referred to as "Hazardous Substances"). Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all losses, claims, demands, actions, suits, fines, penalties, liabilities, damages (including punitive damages), costs and expenses (including remediation, removal, repair, corrective action, or cleanup expenses, reasonable attorneys' fees, consultant fees or expert witness fees) which are brought or recoverable against, or incurred by Landlord as a result of any release of Hazardous Substances by Tenant or any of its respective agents, contractors, employees, licensees, guests and invitees.

11.3 Medical Waste. For purposes of this Lease, "Medical Waste" shall include (a) medical devices, instruments, or paraphernalia such as syringes, sutures, swabs or wraps of any sort that are intended to come into contact with any part of the body; and (b) biological wastes and other waste materials that results from the administration of medical care. During the Term, Tenant shall not dispose of Medical Waste in the trash receptacles provided at the Premises or other non-specially designated areas located on the Premises. Notwithstanding anything to the contrary contained in this Lease or any exhibit to this Lease, Tenant shall at all times during the Term, at its sole cost and, in a manner consistent with applicable law, (i) determine the kind of container in which to store Medical Waste in the Premises prior to its disposal; (ii) dispose of Medical Waste generated in the Premises; and/or (iii) retain the services of a licensed independent contractor to dispose of the Medical Waste generated in the Premises.

12. **INSURANCE**. Effective as of the Commencement Date, and continuing throughout the Term, Tenant shall maintain the following insurance policies: (a) a policy of commercial general liability insurance insuring Tenant against liability for bodily injury, property damage and personal injury arising out of the operation, use or occupancy of the Premises, in the initial amount of

per occurrence; (b) all-risk insurance covering the full value of all furniture, trade fixtures and personal property (including property of Tenant or others) in the Premises or otherwise placed on the Property by or on behalf of Tenant; (c) worker's compensation insurance as required to comply with all applicable laws, and (d) such other coverage as Landlord may reasonably require. Tenant's policy of general commercial general liability insurance shall be primary and non-contributory and shall contain cross-liability coverage by way of endorsement or a separation of insureds clause. Tenant shall cause Landlord and any lender of Landlord, whose name shall be provided to Tenant by Landlord in writing, to be named as an additional insured under such commercial general liability policy and loss payees under any insurance policies covering the Premises or the Property. On or before the Commencement Date, Tenant shall deliver to Landlord certificates of insurance, and copies of the applicable additional insured endorsements, for the annual paid-up policies of insurance that Tenant is required to maintain under this Lease. At least thirty (30) days prior to the expiration of any such policy, Tenant shall deliver

to Landlord a paid-up renewal of such certificate and/or endorsement. Landlord and Tenant hereby waive all rights to recover against each other and against each other's officers, directors, managers, shareholders, partners, members, joint venturers, employees, agents, customers, invitees or those of any other tenant or occupant of the Property, for any loss or damage arising from any cause covered by any insurance carried by the waiving party, to the extent that such loss or damage is actually covered. The parties hereto release each other and their respective agents, employees, successors, assignees and subtenants from all liability for injury to any person or damage to any property that is caused by or results from a risk which is required to be insured against under the Lease, or which would normally be covered by all "Special Form" insurance, without regard to the negligence or willful misconduct of the entity so released. All of Landlord's and Tenant's repair and indemnity obligations under the Lease shall be subject to the waiver contained in this paragraph. Landlord and Tenant shall cause their respective insurance carriers to issue appropriate waivers of subrogation rights endorsements to all policies of insurance carried in connection with the Property or the Premises or the contents of the Premises.

13. RESERVED.

14. CONDEMNATION. If at any time during the Term the entire Premises or any part thereof shall be taken as a result of the exercise of the power of eminent domain or by an agreement in lieu thereof, this Lease shall terminate as to the part so taken as of the date possession is taken by the condemning authority. If all or any substantial portion of the Premises shall be so taken, Landlord or Tenant may terminate this Lease at its option, by giving written notice to the other of such termination within thirty (30) days of such taking. Unless terminated as herein provided for, this Lease shall remain in full force and effect, except that the Rent payable by Tenant hereunder shall be reduced equitably, as agreed by the parties, to account for the portion of the Premises that has been taken. Landlord shall be entitled to and Tenant hereby assigns to Landlord the entire amount of any award in connection with such taking. Nothing in this Section shall give Landlord any interest in or preclude Tenant from seeking, on its own account, any award attributable to the taking of personal property or trade fixtures belonging to Tenant, or for the interruption of Tenant's business.

15. MECHANIC'S LIENS. Tenant agrees not to permit any lien for monies owing by Tenant to remain against the Premises for a period of more than thirty (30) days following discovery of the same by Tenant. Should any such lien be filed and not released or discharged within thirty (30) days after discovery of the same by Tenant, Landlord may at Landlord's option (but without any obligation so to do) pay and discharge such lien and may likewise pay and discharge any taxes, assessments or other charges against the Premises which Tenant is obligated hereunder to pay and which may or might become a lien on the Premises. Tenant agrees to repay any sum so paid by Landlord upon demand therefor.

16. SUBORDINATION; FINANCING

16.1 Subordination. This Lease is and shall continue to be subordinate to any mortgage, deed of trust, or other security interest now existing or hereafter placed on the Landlord's interest in the Premises; provided, however, such subordination is subject to the condition that so long as Tenant continues to perform all of its obligations under this Lease its tenancy shall remain in full force and effect notwithstanding any resulting foreclosure or sale or transfer in lieu of such proceedings. Tenant agrees

at any time and from time to time to execute and deliver an instrument or instruments, in form and content reasonably necessary in Landlord's discretion, confirming the foregoing subordination.

16.2 Attornment. If Landlord's interest in the Premises is acquired by any purchaser, ground landlord, beneficiary under a deed of trust, mortgagee or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest and recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute or rule of law which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

16.3 Financial Information. Within ten (10) days after written request from Landlord, Tenant shall deliver to Landlord Tenant's most recent tax returns and financial statements as Tenant regularly prepares internally in the normal course of business. In addition, Tenant shall deliver to any lender designated by Landlord any financial statements of Tenant and any guarantor required by such lender to facilitate the financing or refinancing of the Property within ten (10) business days of written request. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth herein.

17. ESTOPPEL CERTIFICATE. Tenant shall, within ten (10) business days after a request by Landlord, execute and deliver to Landlord a written statement certifying: (a) that none of the terms or provisions of this Lease has changed (or if changed, stating how they have been changed); (b) that this Lease has not been canceled or terminated; (c) the last date of payment of the Base Rent, Additional Rent and other charges and the time period covered by such payment(s); (d) that Landlord is not in default under this Lease (or, if Landlord is in default, specifying such default); and (e) such other matters related to this Lease and the Premises as may be required by Landlord or its purchaser or encumbrancer. Tenant shall deliver such statement to Landlord within twenty (20) days after Landlord's request. Any such statement by Tenant may be given by Landlord to, and relied upon by, any prospective purchaser or encumbrancer of the Premises.

#### 18. EVENTS OF DEFAULT; REMEDIES OF LANDLORD

18.1 Default by Tenant. Tenant shall be in default under this Lease if (a) Tenant abandons the Premises; (b) Tenant fails to pay any installment of Rent or any other sum due hereunder within five (5) days after receipt of written notice that such amount is due; (c) Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) days after receipt of written notice from Landlord; provided that if more than thirty (30) days are required to complete such performance, Tenant shall not be in default if Tenant commences such performance within the thirty (30)-day period and thereafter diligently pursues its completion; or (d) Tenant becomes insolvent, a receiver is appointed for any part of Tenant's property, Tenant makes an assignment for the benefit of creditors, or any proceeding is commenced either by Tenant or against Tenant, under any bankruptcy or insolvency laws.

18.2 Remedies. On the occurrence of any default by Tenant, Landlord may, at any time thereafter, with or without notice or demand, and without waiving or limiting any other right or remedy available to Landlord:

(a) Perform in Tenant's stead any obligation that Tenant has failed to perform, and Landlord shall be reimbursed promptly for any cost incurred by Landlord with interest from the date of such expenditure until paid in full at the Applicable Interest Rate.

(b) Terminate this Lease, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including (i) the unpaid Base Rent, Additional Rent and other charges that Landlord had earned at the time of the termination; (ii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges that Tenant would have paid for the balance of the Term following termination exceeds the amount of such rental loss that Tenant proves Landlord could have reasonably avoided; (iii) any other amount necessary to compensate Landlord for all the damages proximately caused by Tenant's failure to perform its obligations under the Lease or that in the ordinary course of things would be likely to result therefrom, including, but not limited to, (A) any costs or expenses Landlord incurs in maintaining or preserving the Premises after such default, (B) the cost of recovering possession of the Premises, and (C) the expenses of reletting, including necessary renovation or alteration of the Premises, Landlord's reasonable attorneys' fees incurred in connection therewith, and any leasing or other real estate commission paid or payable; and (iv) all free rent, the unamortized cost of any Landlord's work and any other similar concessions given to Tenant, if any.

(c) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises is located.

The rights and remedies of Landlord shall not be mutually exclusive and the exercise of one or more of the provisions of this Lease shall not preclude the exercise of any other provisions. Tenant confirms that damages at law may be an inadequate remedy for a breach or threatened breach by Tenant of any of the provisions of this Lease. Landlord's rights under this Lease shall be enforceable by specific performance, injunction or any other equitable remedy.

## 19. PROVISIONS APPLICABLE AT TERMINATION OF LEASE

19.1 Surrender of Premises. Tenant agrees to surrender the Premises at the expiration, or sooner termination, of the Lease Term, or any extension thereof, in the same condition as when the Premises were delivered to Tenant, ordinary wear and tear excepted, and Tenant shall remove all of its personal property therefrom. Tenant agrees to pay a reasonable cleaning charge should it be necessary for Landlord to restore or cause to be restored the Premises to the same clean condition as when said Premises were delivered to Tenant, subject to casualty, and condemnation.

19.2 Holding Over. If Tenant remains in possession of the Premises after expiration of the Term, with Landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant-at-sufferance at a rental rate equal to one hundred fifty percent (150%) times the Base Rent and one hundred percent (100%) of all additional rental in effect at the end of this Lease and there shall be no renewal of this Lease by operation of law. If Tenant fails to surrender the Premises after expiration or termination of the Term, Tenant shall indemnify, defend and hold harmless Landlord from all loss or liability, including, without limitation, any loss or liability resulting from any claim against Landlord made by any succeeding tenant founded on or resulting from Tenant's failure to surrender and losses to

Landlord due to lost opportunities to lease any portion of the Premises to succeeding tenants, together with, in each case, actual attorneys' fees and costs.

## 20. GENERAL PROVISIONS

20.1 Quiet Enjoyment. If and so long as Tenant pays the Rent reserved by this Lease and performs and observes all the covenants and provisions hereof, Tenant shall quietly enjoy the Premises, subject, however, to the terms of this Lease, and Landlord will warrant and defend Tenant in the quiet enjoyment and peaceful possession of the Premises throughout the Term.

20.2 Time of Essence. Time is of the essence with respect to any time periods or dates referenced in this Lease. Unless otherwise indicated, all references herein to "number of days" shall mean and refer to calendar days. "Business days" shall mean days other than Saturday, Sunday or any holiday on which the banks in the State of Utah are closed.

20.3 Force Majeure. Any failure on the part of either party to this Lease to perform any obligations hereunder, other than Tenant's obligation to pay monetary amounts, and any delay in doing any act required hereby shall be excused if such failure or delay is caused by any strike, lockout, governmental restriction or any similar cause beyond the control of the party so failing to perform, to the extent and for the period that such continues.

20.4 Notice. Any consent, request, notice or other communication required or contemplated by this Lease shall be in writing and shall be deemed properly given (a) if hand delivered, when delivered to a responsible officer or managing employee; (b) if mailed by United States certified mail (postage prepaid, return receipt requested), three (3) business days after mailing; (c) if by Federal Express or other nationally recognized overnight courier service, on the next business day after delivered to such courier service for delivery on the next business day; or (d) if by email, on the next business day after sending, to the addresses set forth on the signature page, or at such other address as the party to be served with notice has furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

20.5 Recording. Tenant shall not record this Lease or a memorandum thereof without the written consent of Landlord.

20.6 Broker's Commissions. Landlord and Tenant each warrants that it has had no dealing with any broker or agent in connection with the negotiation or execution of this Lease and each agrees to indemnify and hold the other harmless from and against any claims by any broker, agent or person (other than those set forth above) claiming a commission or other form of compensation related to this leasing transaction.

20.7 Entire Agreement. This Lease and the exhibits, and any addenda and schedules, if any, constitute the entire agreement between the parties and supersede any prior discussions, negotiations or writings. Any guaranty for this Lease is an integral part of this Lease and constitutes consideration given to Landlord to enter in this Lease. No subsequent amendment or modification of this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by all parties hereto. If any

provision contained in any exhibit, addenda and schedule is inconsistent with a provision in the body of this Lease, the provision contained in said exhibit, addenda or schedules shall control.

20.8 Provisions Binding. Subject to the other provisions of this Lease, including, specifically and without limitation, Section 10, all provisions herein shall be binding upon and shall inure to the benefit of the parties, their legal representative, heirs, successors, and assigns. Notwithstanding the foregoing, in the event of any transfer, sale or assignment (except for purposes of security or collateral) by Landlord of the Premises, the Property, or this Lease, Landlord shall (irrespective of when such sale or assignment occurs) be automatically and entirely relieved of all of its covenants and obligations contained in or derived from this Lease, or arising out of any act, occurrence or omission related to the Premises, and occurring after the consummation of such transfer, sale or assignment and such obligations and covenant shall, as of the time of such transfer, sale or assignment, automatically pass to Landlord's successor in interest.

20.9 No Waiver. No failure by any party to insist on the strict performance of any covenant, duty or condition of this Lease or to exercise any right or remedy under this Lease shall constitute a waiver of any such breach or of such or any other covenant, duty or condition. A party may waive any of its rights or any conditions to its obligations under this Lease, or any covenant or duty of any other party, only by written notice delivered in the manner provided in this Lease.

20.10 Survival. The provisions of this Lease with respect to any obligation of Tenant to pay any sum owing or to perform any act pursuant to this Lease, including Section 12, shall survive the expiration or early termination of this Lease.

20.11 Governing Law. This Lease shall be governed by and construed in accordance with Utah law. Landlord and Tenant expressly and irrevocably agree that any action or claim to enforce the provisions of this Lease shall be brought in a state or federal court situated in the State of Utah, and Tenant irrevocably consents to personal jurisdiction in the State of Utah for the purposes of any such action or claim. Tenant further irrevocably consents to service of process, summons, notice or other document by registered mail pursuant to Section 20.4, which shall be effective service of process for any suit, action or other proceeding brought in any such court.

20.12 Waiver of Trial by Jury. LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER, UPON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE.

20.13 Attorneys' Fees. If Tenant (including any assignee or subtenant of Tenant) or Landlord shall be in breach or default under this Lease, such party (the "Defaulting Party") shall reimburse the other party (the "Nondefaulting Party") upon demand for any legal costs or expenses that the Nondefaulting Party incurs in connection with any breach or default of the Defaulting Party under this Lease, whether or not suit is commenced or judgment entered. Such costs shall include attorneys' fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Tenant shall be responsible for all expenses, including, without limitation, attorneys' fees, incurred by Landlord in any case or proceeding involving any assignee or subtenant of Tenant. Furthermore, if any legal proceeding for breach of or to enforce the provisions of this Lease is commenced, in bankruptcy or

otherwise, the court in such action shall award to the party in whose favor a judgment is entered, a reasonable sum as attorneys' fees and costs at trial and upon appeal. The non-prevailing party in such action shall pay such attorneys' fees and costs. The provisions of this Section shall survive the expiration of the Term or sooner termination of this Lease.

20.14 Recourse by Tenant. Anything in this Lease to the contrary notwithstanding, Tenant agrees that (a) Tenant shall look solely to the estate and interest of Landlord in the Property, subject to prior rights of any mortgagee, for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants, and conditions of this Lease to be observed or performed by Landlord, and (b) no other assets of Landlord or any of its members, managers, successors or assigns shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

20.15 Rules and Regulations. Tenant and the Tenant Related Parties shall faithfully observe and comply with all of the rules and regulations established by Landlord, and Landlord may from time to time reasonably amend, modify or make additions to or deletions from such rules and regulations. Such amendments, modifications, additions and deletions shall be effective on notice to Tenant. Landlord shall not be liable to Tenant for the failure of any other tenant or person to observe any such rules and regulations.

20.16 Representation Regarding Authority. The persons who have executed this Lease represent and warrant that they are duly authorized to execute this Lease in their individual or representative capacity as indicated.

20.17 No Partnership. Nothing contained herein 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.

20.18 Construction of Terms. The captions and section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any section or paragraph. Unless otherwise set forth in this Lease, all references to sections are to section in this Lease. Use of the word "including" and its derivatives shall mean "including without limitation." Each provision to be performed by Tenant shall be construed to be both a covenant and a condition. The term "person" shall include an individual, corporation, partnership, limited liability company, trust, governmental agency and/or other entity.

20.19 Partial Invalidity. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

20.20 Counterparts. This Lease may be executed in separate counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail or electronic signature (including .pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)),

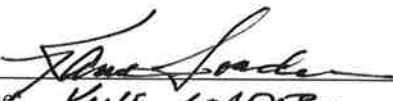
or any other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

*[Remainder of page intentionally left blank. Signature page follows immediately.]*

Final Draft August 16, 2021

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the date first set forth above.

**LANDLORD: TRANS-JORDAN CITIES**, an interlocal agency  
and political subdivision of the State of Utah

By:   
Name: KANE LOADER  
Title: BOARD CHAIR

Address:  
P.O. Box 95610  
South Jordan, Utah 84095  
Attention: Jaren Scott  
Email: [jarenscott@transjordan.org](mailto:jarenscott@transjordan.org)

**TENANT: ZIPLINE INTERNATIONAL INC.**,  
a Delaware corporation

By:   
Name: FB01CED9C712400...  
Title: COO

Address:  
333 Corey Way  
South San Francisco, California 94080  
Attention: Liam O'Connor  
Email: [Liam@flyzipline.com](mailto:Liam@flyzipline.com)

**EXHIBIT A**  
**DEPICTION OF THE PREMISES**

[To Be Attached]

**EXHIBIT B**  
**NOTICE OF COMMENCEMENT DATE**


All capitalized terms not otherwise defined in this instrument have the meanings ascribed to them in that certain Lease Agreement dated \_\_\_\_\_, 2021, by and between the undersigned (the "Lease"). Landlord hereby notifies Tenant as follows:

1. The Commencement Date is \_\_\_\_\_, 20\_\_.
2. The initial Term of the Lease expires on \_\_\_\_\_, unless the Lease is sooner terminated in accordance with the terms and conditions of the Lease, or extended.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**LANDLORD**

**TRANS-JORDAN CITIES**, an interlocal agency  
and political subdivision of the State of Utah

By:   
Name: KANE LOADER  
Title: BOARD CHAIR

**TENANT**

**ZIPLINE INTERNATIONAL INC.**,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**  
**TENANT'S BUILD-OUT PLANS AND SPECIFICATIONS**

[To Be Attached]

## ZIPLINE FACILITY

8















